Within the framework of a Technical Assistance (TA) programme to support its Financial Sector Operations in Southern Africa launched by the European Investment Bank (EIB) in 2015 already four EIB Southern Africa SME and Microfinance Academies have been organised, i.e. in Pretoria (2016), Lusaka (2017), Johannesburg (2018) and Lilongwe (2019).

This fifth EIB Academy was held in Stellenbosch, South Africa, from 3rd to 5th February 2020 and the theme was "Climate Action, borrowing and lending adaptation by the financial sector". About 90 persons participated: The EU delegation from South Africa was represented as were financial institutions and development banks from Comoros Islands, Eswatini, Malawi, Mauritius, Mozambique, Seychelles, South Africa and Zambia. Besides, African Trade Insurance Agency, ATI, an agricultural insurance provider from South Africa, a bankers' training institute from Zambia and two South Africa based FinTechs participated.

**Day 1 Opening Ceremony and sessions**

After the welcome address by the organisers, Mr. Robert Schofield, EIB Head of Division, Financial Sector, Global Partners Department informed the audience about the decision to position the EIB as the "Climate Bank" and for this reason, the theme of this 5th Academy was "Climate Action & Sustainable Development". He emphasized that the eagerness of EIB to discuss with its partners how to combine climate action and development activities and that he highly values the contributions of the participants of this Academy in this process.

After the opening ceremony, the morning session started with the presentation "Develop Africa where it matters: Implement sustainable Africa-driven solutions" by Prof. Meshach Aziakpono, University of Stellenbosch, Professor of Development Finance. The main points of the presentation included that Africa, on the one hand, has the opportunity to close the energy gap with alternative energies but that on the other hand, the agricultural sector, which is pivotal for the national employment is inefficient and vulnerable. Concerning financial inclusion, Prof. Aziakpono mentioned the challenges to reach out to the "missing middle", i.e. enterprises that from their risk profile fall in between micro-entrepreneurs, which are mainly covered by public transfers, guarantees,
The EIB launched an ambitious new climate strategy and Energy Lending Policy in November 2019

The new energy lending policy details five principles that will govern future EIB engagement in the energy sector:

– prioritising energy efficiency with a view to supporting the new EU target under the EU Energy Efficiency Directive;

– enabling energy decarbonisation through increased support for low or zero carbon technology, aiming to meet a 32% renewable energy share throughout the EU by 2030;

– increasing financing for decentralised energy production, innovative energy storage and e-mobility;

– ensuring grid investment essential for new, intermittent energy sources like wind and solar as well as strengthening cross-border interconnections;

– increasing the impact of investment to support energy transformation outside the EU.

and subsidies and the larger-scale operators that are served by commercial banks based on the financial risk profile.

Questions from the audience related to the example of China that achieved significant poverty reduction but at the detriment of the environment. Prof. Aziakpono answered that Africa should learn from China without repeating the mistakes and at the present stage of economic development, Africa has to find new niches to fill as it will not be able to compete with China in mass production.

Another question was assuming a correlation between a lack of trust in the financial sector and low levels of savings. Participants stated that reduced availability of local funding is rather a result of missing access to the financial sector for many and that the rapid development of saving via mobile money shows how much funds can be mobilised once access at a reasonable cost is available. The participants from the Comoros Islands mentioned that in their economy export revenues are held by companies in Euro because of future transactions and as these funds are not converted into local currency deposits the local financial sector cannot use this money for lending to local SMEs. It was also mentioned that in some countries efforts to combat corruption have resulted in reduced local spending and money staying in an informal economy rather than reaching the financial sector.

This discussion was followed by the presentation of "Recent Macroeconomic and Banking Sector Trends in Southern Africa" by Mr. Sanne Zwart, EIB Economist, Economic Department. While the outlook for the economies of Angola and Zambia is rather negative, Malawi, Madagascar, and Mozambique are considered very positively. The economic challenges of the last years have resulted in 9 out of 14 countries observed having had their historically highest debt to GDP ratio in 2018/2019. While globally the conditions for businesses improve, the Southern Africa region is lagging. Particularly for Zambia, the bullet payment structure of the Eurobonds poses significant repayment risks as the country is expected to repay large amounts in 2022 and 2024. Zambia may experience difficulty in repaying or refinancing at maturity if the money is not spent on activities with high economic returns and if there are adverse changes in its exchange rate or international market conditions.

The questions & answers part concentrated on certain indicators such as GDP or banks’ NPL rate and how significant they are to describe the SME enabling environment. Another point mentioned was that in the
IMF outlooks the figures published do not anticipate the effects that IMF programmes will have in countries.

Impact Investment englobes many different themes ranging from return driven investments to mainly impact-oriented investments. In the afternoon Mr. Rainer Fitz, Frankfurt School Key Expert, debated on “Impact Financing and Impact Resilience” with Mr. Maximilian Pichulik, Impact Amplifier Partner who shared his observation that since the first movements to improve governance and the concept of corporate social responsibility more than 30 years ago, the individual subjective views of persons in finance have become more and more important. At the same time the spread of information by social media can lead to a feeling of insecurity of decision-makers, e.g. concerning the negative effects of climate change or social issues. These two trends result in more and more investors wanting to know what the impact of their investment is and potentially huge amounts of money that are not invested now will flow into such products while funds already invested will be shifted to impact investment structures.

Then Mr. Filipe Marques, Frankfurt School Key Expert, asked Mr. Macfussy Kawawa, the CEO of the National Bank of Malawi (NBM) and Ms. Bettina Wittlinger de Lima, Frankfurt School Senior Expert to present “Gender smart investing – a showcase of Malawi”.

Mr. Kawawa presented the bundle of products that were developed for women entrepreneurs under the name “Amayi Angathe - Women can do it” with the support of EIB’s Technical Assistance Programme. One of the features is that loans can be given without collateral - a key feature to foster financial inclusion - and that the customers benefit from reduced charges. The first results are very encouraging. From about 1,000 inquiries 466 women entrepreneurs got a loan and more than USD 1.3 million was disbursed within a few months. NBM is optimistic that this steep growth rate can be maintained. The bank observed, however, that many applicants would need more training on business management and also technical support. A future Technical Assistance Programme, therefore, should also be made available directly to women-led SMEs. Meanwhile, NBM is in the process of creating a web portal providing different types of information for entrepreneurs.

Ms. Wittlinger de Lima explained the importance of customer segmentation due to different needs, e.g. innovative and active female entrepreneurs with a growth objective for their business and women with a family who rather have subsistence needs. Mr. Kawawa added that in the segmentation and product development process, they have encountered overlaps. As an example, young women entrepreneurs could also be eligible under a dedicated programme for youth. Therefore, the strategy of the bank has to be well designed. He thanked the EIB and the Frankfurt School team for their support to the bank.

NBM established the subsidiary NBM Development Bank LTD to provide long-term finance and equity for SMEs within clearly defined development areas (health, education, renewable energy, tourism, agricultural processing).

The questions were asked if NBM had observed that men were sending women to the bank to benefit from the advantages of the women entrepreneur product and on the effect of the access to loans for women on the social structures in rural areas. The answers were that the bank’s staff knows their customers very well and that, indeed, in some cases men feel uncomfortable when their wife can take her business activities to a higher level.

Ms. Wittlinger de Lima concluded that the showcase of NBM demonstrates that financial institutions can have all tools to be successful and to serve more women-led enterprises profitably. The essential part of the approach is to acquire a high level of knowledge of what is required by the target group to better access financial services resulting in appropriate customer segmentation.
Day 2  Keynote presentations and EIB as the Climate Bank

After the opening remarks by Mr. Tom Andersen, EIB Head of Regional Representation Southern Africa & Indian Ocean, the keynote speaker, Mr. Raul de Luzenberger, Deputy Head of the EU Delegation in South Africa highlighted the “EU’s Support to Climate Action in Sub-Saharan Africa”. Climate has become the EU’s key area of intervention over the past years, e.g. from “improving business climate” to “climate change”. The EU Commission is actively discussing with its EU Member States and with other governments to obtain their support on topics such as the reducing global warming, an overall reduction in carbon emissions, shifting towards renewable energies and climate related policies. Thereby the civil society plays an important role. Also, the EU dedicates one week per year to such advocacy in all countries.

Worldwide 70 projects on climate change have already been identified; in Africa this covers amongst others the African Electricity Platform, the African, Caribbean, and Pacific (ACP) Global Climate Change Alliance Plus (GCCA+) programme to strengthen the capacity of SADC Member States to undertake climate change adaptation and mitigation interventions, the African Investment Facility.

Restructuring of the economy generates high costs but also opens opportunities. The example of South Africa, the 6th biggest polluter in the world was mentioned and that, for example, in the transition of its economy, the reduction of the number of coal mine workers is more visible to the public than the creation of many more jobs all over the country to install and maintain renewable energy equipment.

"Bringing Clarity to Sustainability - the role of Sustainable Finance and Green Bonds" was the topic of the second keynote presentation of Mr. Aldo Romani, EIB Head of Sustainability Funding, Financial Markets. He explained that the EIB’s main source of funding are the bonds it issues on the capital markets and that its investors increasingly want to know where the capital is being employed. The market of “Green” bonds, which the EIB has pioneered, has developed quickly: Institutions with environment objectives that needed funding wanted to tap into the capital markets. To create standards, harmonisation of impact reporting standards and the introduction of audits resulting in transparency as well as classifications were developed leading to the EU Green Bond definition. A similar successful development has been achieved by the EIB thanks to its “Climate and Sustainability” bonds.

"Incorporating Climate Risk into Risk Frameworks and Policies" was the topic of the presentation of Mr. Sanne Zwart, EIB Economist, who illustrated the macroeconomic challenges and developments in Southern Africa. Growth slowed down in almost all countries, except for Malawi, where it picked up while the Angolan economy shrank less than the year before. Cyclones at the beginning of 2019 hampered growth in Mozambique and several of its neighbours, while droughts in the region reduced agricultural output and held back economic activity such as the reduced hydropower capacity which led to electricity blackouts. In the coming years, Botswana, Madagascar and Malawi are expected to continue their robust economic performance. Mozambique is expected to experience a huge growth boost in 2023 when liquefied natural gas (LNG) production will commence. On the other hand, growth will remain lacklustre in South Africa, Eswatini and Zambia. In Malawi and Zambia, the high (real) interest rates on government bonds push banks to invest in “risk-free” investments, crowding out lending to SMEs.
Climate Action/ Climate Change Adaptation – Impact on Financial intermediation

Mr. Aldo Romani, from EIB’s Financial Markets division, Mr. Jonathan First, Development Bank South Africa Head of Innovation Lab and Ms. Avana Singh, Nedbank Capital Debt Capital Markets Unit, were the participants of a Table Talk that was moderated by Mr. Hubert Danso, CEO of Africa Investor.

In the OECD already 90% of the concessional lending is allocated to climate-related investments. The Green Climate Fund (GCF) has established a climate finance unit that supports applicants in the process and signed an agreement with the Development Bank of Southern Africa (DBSA) to kick-off the programme to break market barriers and accelerate investments into climate projects. The Climate Finance Facility (CFF) will be the first-of-its-kind climate finance facility in Africa using a pioneering Green Bank model. The programme will target South Africa, Namibia, Lesotho, and Eswatini, but has a strong potential to be replicated in other developing countries to rapidly scale up private sector climate investments.

It was also mentioned that DBSA is organising a ClimateSummit for the SADC zone that will take place in May. Finally, sources of information were mentioned, e.g. the Environmental Finance Magazine and the website of banks as well as the Green Bond Principles brochure.

Nedbank informed that at EXCO level for nine of the SDGs responsibilities have been attributed with support of dedicated task forces. Huge credit programmes for independent electricity producers and energy-saving investments for buildings have been started. The bank has issued the first certified green bond and intends to remain the market leader.

Mr. Romani informed that the EIB’s management can launch SDG related bond issuances on the back of its dedicated initiatives and, as financial markets give effective and direct feedback, a quick implementation is possible. The cooperation with co-financing partners such as regional development banks in Africa is important as the EIB only finances up to 50% of a project’s total cost.

By the end of February 2020 the final proposal on the taxonomy of green finance (the scientific process of classifying instruments) will be presented to the EU Commission so that an appropriate legislation can be developed. The EIB is working with partners on the Climate Awareness Bond framework and the Sub-Framework on Sustainability.

In the following session, Ms Klaudia Berger, EIB Programme Coordinator, Inclusive Financial Services Unit, moderated a panel on the topic “Financial Inclusion Contributes to Climate Resilience” with the panellists Mr. Chris Kizza, FINCA Malawi CEO, Mr. Raymond Snyders, LeapFrog Investment Partner, Ms. Mia Thom, Centre for Financial Inclusion (CENFRI) Technical Director, Ms. Isabelle Van Grunderbeeck, EIB Head of Inclusive Financial Service Unit.

Ms. Thom stated that climate change has an increasing impact on the region, e.g. increasing temperature leading to longer drought periods in some regions while other regions suffer from unexpected heavy rainfalls and rising sea levels. To mitigate against the devastating impact of climate change, investors such as LeapFrog Investment (EIB was an early investor) support building climate resilience by increasing financial inclusion. LeapFrog focuses on investing in insurance companies in SSA and Asia, and provides technical assistance in developing customized micro insurance products to reach the most vulnerable.

Mr. Kizza explained that the risks of climate change for the MFI can be reduced by digitisation and data analysis. He also mentioned that the MFI can pay for insurance covering the customers’ risks because this in turn reduces the MFI risk exposure. Ms. Thom explained that insurance is certainly one of the tools to protect the vulnerable but that the insurance market is still small
and presently few climate risk solutions exist, many are donor driven and very few have a business case. Further in the discussion it was mentioned that infrastructure, data and skills gaps are still significant.

The EIB as the climate bank will provide even more support to such initiatives such as credit lines for MFIs with matching TA programmes in the near future emphasized Ms. Van Grunderbeeck.

"Enabling a more resilient economic development with innovative solutions – Climate Risk Finance and Insurance Solutions" was the next session with the panellists Mr. Eugen Doce, Frankfurt School Senior Expert, Mr. Muzi Dladla, Land Bank Insurance Executive Manager Operations, Mr. Pizzaro Lukhanda, ATI – ACA African Trade Insurance Company Regional Underwriter – Southern Africa. The moderator was Mr. Filipe Marques, Frankfurt School, Key Expert.

Mr. Doce introduced the InsuResilience Solutions Fund, a facility operating since 2019, which supports through grants and technical assistance the introduction of climate risk insurance products for vulnerable people in emerging and developing countries, including the entire Sub-Saharan region. Mr. Dladla explained the approach in South Africa where about 40,000 commercial farmers and about 250,000 smallholder farmers will benefit from a parametric drought insurance that Land Bank Insurance is developing and is scheduled to be introduced in 2020. The insurance will help smallholder farmers to protect their cattle and avoid business interruption in their farming activities. Indirectly, it will also strengthen the credit portfolio quality of Land Bank.

Mr. Lukhanda introduced the products of African Trade Insurance Agency (ATI), in particular the liquidity bridging facilities, which help banks finance renewable energy projects by minimising the risks that results from long delay in payment from off-takers which are often state-owned enterprises.

"Financing Sources and Models in the Blue Economy" was the topic of a table talk with Mr. Daniel Gappy, Development Bank of Seychelles CEO, Mr. Philippe Lallemand, Fisheries Economics Consultant, Mr. Carmelo Cocuzza, EIB Head of TA Unit, Global Partners Department, and Ms. Katia Görtz, Frankfurt School Senior Expert.

Mr. Gappy informed that the Republic of Seychelles, assisted by the World Bank, has launched the world’s first Sovereign Blue Bond, a pioneering financial instrument designed to support sustainable marine and fisheries projects, which raised USD 15 million from international investors. The Blue Bond, which is part of an initiative that combines public and private investment to mobilise resources for empowering local communities and businesses, will greatly assist Seychelles in achieving a transition to sustainable fisheries and safeguarding our oceans while we sustainably develop our blue economy. Proceeds from the Blue Bond will include support for the expansion of marine protected areas, improved governance of priority fisheries and the development of Seychelles’ blue economy. Grants and loans will be provided through the Blue Grants Fund and Blue Investment Fund, managed respectively by Seychelles’ Conservation and Climate Adaptation Trust (SeyCCAT) and the Development Bank of Seychelles (DBS).

Mr. Lallemand explained that investments in the fishery sector in African countries can be very beneficial. Nowadays local fishermen are fishing the small fish close to the coast because they have very limited technical equipment. This contributes to depleting the
seashores where fish are reproducing, while huge industrial ships from industrialised countries are fishing in local waters of developing countries that cannot control and protect their territory. Better equipment for local fishermen together with technical training would protect the areas where fish are growing and catching bigger fish outside these zones would improve the income of fishermen and contribute to local food security. He also pointed out that from an environmental point of view protein from fish is to be seen as positive as no agrochemicals / pesticides are needed for the production.

Mr. Cocuzza outlined that the Blue Economy is going beyond fishing and that it also includes sectors such as transportation and hospitality. According to an OECD estimation the ocean economy’s value could be worth USD 3 trillion by 2030. The EIB is implementing a comprehensive Clean and Sustainable Ocean Programme consisting of the Blue Sustainable Ocean Strategy (Blue SOS) as well as the Clean Oceans Initiative in support of ocean waste reduction, particularly plastics. To emphasise the importance of oceans (and their well-being) and the EIB’s activities in this regard, a video illustrated the EIB’s Blue SOS - Protecting the health of our oceans initiative. The subsequent discussion looked at banks’ role in this process as well as the opportunities for them.

The EIB Dialogue Session

The participants from the EIB were Mr. Robert Schofield, EIB Head of Division, Financial Sector, Global Partners Department Mr. Olivier Edelman, EIB Head of Microfinance Unit Mr. Carmelo Cocuzza, EIB Head of TA Unit, Global Partners Department, Ms. Isabelle Van Grunderbeeck Programme Coordinator, Inclusive Financial Services Unit. Ms. Fatma Dirkes, Frankfurt School Project Director presented the results of this year’s EIB Credit Lines and Technical Assistance Programme survey between the partner institutions of the EIB in the Southern Africa region. During the dialogue session the participants were asked to propose and discuss innovative financial instruments that the EIB could develop.

Mr. Cocuzza announced that the “African Raising Women Initiative” is under preparation by the EIB to support women entrepreneurs. Another programme will be to support sustainable development of secondary cities.

Ms. Van Grunderbeeck mentioned the “Financial Inclusion Fund” which was developed in partnership with Luxembourg in 2019 and aims to improve access to finance for small businesses and entrepreneurs in developing countries. The trust fund seeks to do this by providing technical assistance and capacity building operations to microfinance service providers.
EIB Award Ceremony

The day was closed by the EIB Award Ceremony. The objective of the Award is to appreciate the role of innovation in SME and agricultural Finance in supporting and fostering sustainable development and climate action of the Southern Africa region using innovation to expand outreach, broaden product offerings, improve the client experience and increase operating efficiency.

The Award aims at recognising the work of three financial institutions that respond to the complex needs of its SME and agricultural customers by providing them with tailor-made financial and non-financial services, which significantly contribute to financial inclusion, climate resilience and improved overall access to financial services.

The innovation(s) and the positive impact were evaluated in different fields such as gender finance, increasing financial inclusion, sustainability, social performance measurement, and monitoring, Corporate Social Responsibility, Environmental & Social Standards, initiatives that contribute to building climate resilience and food and nutrition security, education of final beneficiaries in financial literacy, management skills and/or technical and finally institutional capacity strengthening.

The winners of the 2020 EIB Award were recognised for supporting innovation: NBM (expand access to finance for female-led business), First Capital Bank (agricultural finance to strengthen resilience to negative impacts of climate change), and AB Bank Zambia (increase financial outreach in rural areas also through digitilization).

Day 3 Human Capacity Development, Digital Transformation and Sustainable Agriculture

"Making human capacity development attractive and sustainable for Financial Institutions" was the first topic of the day. The panellists Ms. Victoria Chanda Mumba, ZIBFS Zambia CEO, Mr. Kobus Louw, formerly First Capital Bank, Group General Manager, Ms. Fatma Dirkes, Frankfurt School, Vice President & President of the European Banking Training Network (EBTN) with the moderator, Ms. Willemien Libois, Frankfurt School, Key Expert, discussed their experiences with bank training from different angles.

Mr. Louw explained that First Capital Bank, as a partner of the EIB, received high-quality training and capacity building at macro level in the framework of the EIB technical assistance programme. In general, the staff was operationally oriented and had to become task-oriented. Training was an important tool to standardise processes in the group.

The financial institution expects a return on the investment which can be achieved in a 3-step approach: 1. enablement of staff; 2. engagement of staff; 3. Engagement of clients. Mr. Louw concluded that technical assistance has to be linked to results and in the end, human capital development leads to an improvement of the bank’s financial results.

From the experiences as the CEO of a bank training institute, Ms. Chanda Mumba said that the financial institutions have to link capacity building to their organisational strategy and that there is still a perception gap from seeing staff as a “cost” to consider them as the most valuable asset: “human capital”. She recommends combining in-house training with training from service providers.

She concluded that ZIBFS has largely benefitted from the EIB programme and the collaboration with Frankfurt School has brought a global perspective to ZIBFS. The EIB support also resulted in closer cooperation of ZIBFS with the bankers’ institutes in Malawi and Botswana.
From a European perspective, Ms. Dirkes explained the history of the European Banking & Financial Services Training Association (abbreviated as EBTN), an international not-for-profit association registered in Brussels. To allow bank staff working across borders in different EU countries, qualification, accreditation, and certification had to be standardized. The association now has 26 members in EU countries and 16 non-EU members. African institutes are encouraged to join. One of the challenges of bank training institutes is that they must have a sustainable business model but the increasing number of free e-learning products coming to the market might ultimately lead to a changing role for the bank training institutes.

Finally, it was discussed whether employers use the bonding of their staff when the bank pays for training. Ms. Chanda Mumba explained that in Zambia banks often provide soft loans to employees who participate in training to keep them with the bank after the training, sometimes they give a grant to the employee who wants to participate in training, some banks apply bonding and others do not. Usually, in case an employee moves to a new employer, the new employer will compensate the former employer for the training. Ms. Dirkes also mentioned that many individuals are paying themselves for courses because they consider this as an investment in themselves. Mr. Louw concluded the discussion by mentioning that in Malawi many individuals spent money on bad courses and that a financial institution can help its employees to select good offers.

The table talk “Digital Transformation: how to stay on top of the trend?” gathered Mr. Oswin Kasunda, National Bank of Malawi Head Personal & Business Banking, Mr. Maximo Mulenga, AB Bank Zambia, CFO, Mr Bongani Zulu, Nedbank Capital, Senior Transactor, Ms. Natalia Miller, ZARUS Group, Founder and Managing Consultant, Mr. Andre Taute, SASA Solutions, CFO and was moderated by Ms Willemien Libois, Frankfurt School Key Expert.

Mr. Kasunda described that for his bank the first reason to invest in digital services was to reduce the congestion of their branches and the first tool used was internet banking which limited the outreach due to the high cost of equipment and low availability of internet. A new level of outreach could be established when applications were available on phones and finally, further technological improvements allowed to link with mobile money systems. The latest development for the bank is agency banking which aims to improve outreach in rural areas.

AB Bank Zambia referred to what was impacting their customers the most. Their customers can now use more than 30,000 mobile money outlets. On the credit side, a repeat customer passes a scoring rating and can have a new credit within hours. Internally the automatization of processes allows bank staff to perform customer services instead of repetitive administrative tasks.

Nedbank has invested 8 to 9 billion Rand (about EUR 500 million) in their digitisation strategy and is competing against digital banks such as TymeBank, Discovery Bank and BankZero. This process also led to the simplification of internal processes and decongested branches.
Ms. Miller previously worked for ZOONA, a payment system provider and said that 10 years ago the banks were not conscious about the challenges and that this has changed. As 90% of the rural population are still unbanked there is a very large potential for new developments in the entire region.

Mr. Taute explained that the integration of different technologies is becoming easier but different partners such as banks, telecom companies, and fintech companies have different legacies and decision-making processes. The developments of his company were in the fields of loan management for Mobile Network Operators followed by solutions for group lending and -saving and now mainly on digitisation of farm management. The topics are the collection of data on farmers allowing banks to take credit decisions. This digitisation can be implemented via off-takers in the value chain. He also mentioned the example of a bank in Mozambique that is interested in agricultural finance if the value chain is digitised and if there is full transparency.

Finally, the impact of these investments was mentioned by the panellists: Nedbank said that now they have 1.7 million digitised customers. AB Bank was proud to say that about one-fourth of the loan applications are scored automatically and about a third of the repayments are done via mobile money which reduces cash handling in the branches. NBM added that currently only 10% of the transactions are done in branches and that a positive environmental impact is achieved via reduced transportation and by working paperless.

The final statement was that regulation is very important and, in every country, digital developments should be developed in close cooperation with the regulator.

Increase Sustainable Agricultural Growth, Incomes, Employment and Food Security

The last panel of this Academy, composed by Mr. Andrew Muyaba, Zanaco, Head Corporate and Investment Banking, Mr. George Phuza, Ecobank, Malawi, Country Head Credit, Mr. John McGarth, Imani Development Expert, provided insights into the hands-on agricultural lending experience in Malawi and Zambia.

George Phuza from Ecobank outlined that Ecobank’s success in agriculture finance has been based on partnerships and capacity building. In terms of the partnership, he mentioned the ongoing negotiations with the EIB for agricultural credit lines and guarantees as well as OPIC’s guarantees. Ecobank is also partnering with EAGC to launch a new warehouse receipt product. The capacity building referred to all partners, not only at the bank but also the final benefiting SMEs.

Also, Andrew Muyaba echoed those factors as key determinants for increasing sustainable agricultural growth. Based on his experience access to finance for small farmers has to be complemented by technical skills training; but a conducive business environment and infrastructure are needed as well.

John McGarth highlighted that while finance is only one of the many challenges in this regard, financial institutions need to better understand the economics of the market systems and should try to better understand the smallholders and how they operate. By providing specialised agricultural loan products sustainable agriculture finance could be operating successfully.

The closing ceremony of the 5th Southern Africa Academy by the EIB and the organisers summarised the discussions and exchanges of the previous days. The feedback received was that most participants gained new insights from the panel discussions and presentations and that many topics discussed gave food for thought.
Disclaimer

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