

FACILITATING AND FINANCING INVESTMENT IN SDG

UNCTAD Regional Workshop, April 10, 2019
Arusha, Tanzania

Outline

WBG value proposition towards SDGs

A typical intervention by WBG addresses a number of SDGs at once

On-going programs in East Africa Region: A selection

Work with TIC & other investment-related programs

WBGs value proposition in SDGs – Identify and deliver public reforms for increased private investment

A. Provide key diagnostics to WBG – FCI, GP, IFC – and government clients to map out constraints and opportunities for private sector development

One of our diagnostics, *Deep Dive*, has informed:

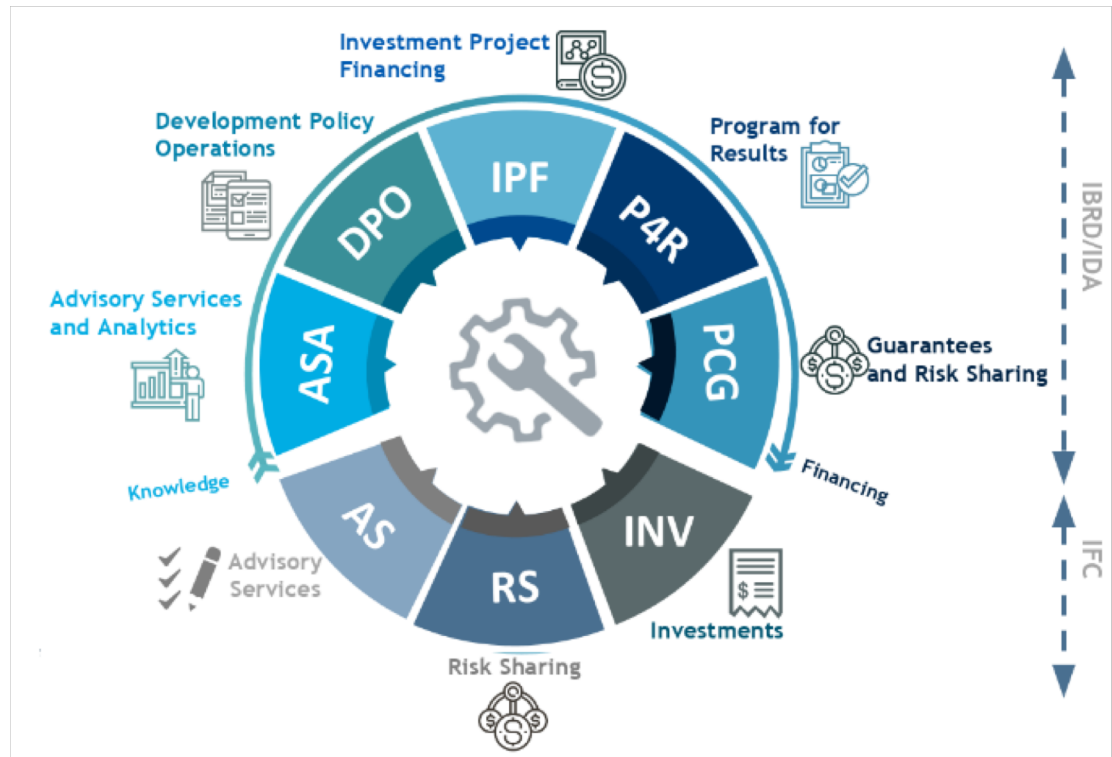
- i. Country Private Sector Diagnostics
- ii. IFC MAS
- iii. Design of environment and SDGs related programs

B. Deliver public reforms to address barriers to private investment, especially reforms strengthening competitiveness, improving access to markets and access to finance, and harnessing digital platforms and technology opportunities

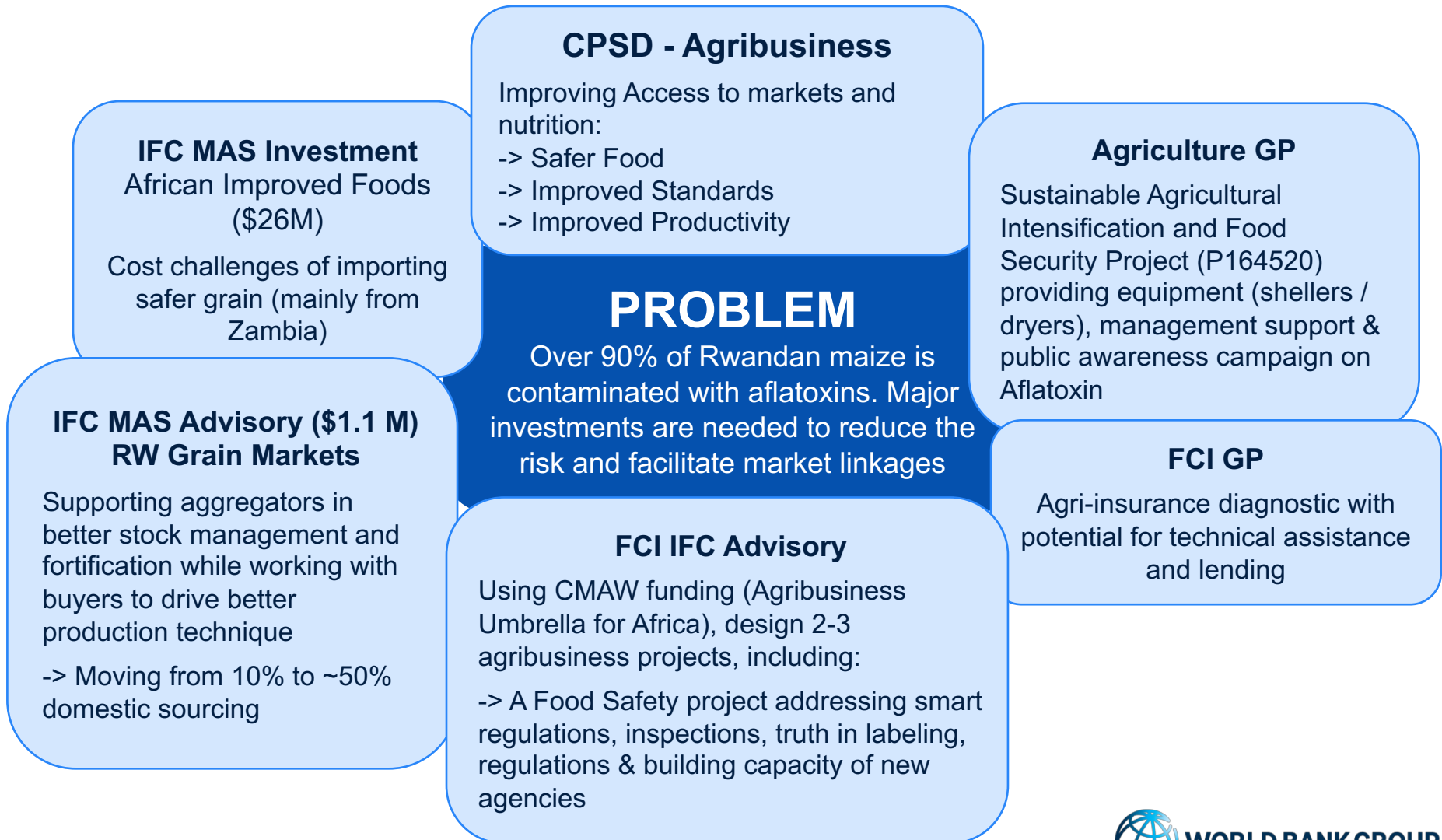
FCI's portfolio is comprised of:

- i. IFC Advisory projects
- ii. IDA/IBRD lending operations
- iii. Cross-support to lending operations of the World Bank's GP

FROM DIAGNOSTIC TO ACTION: LEVERAGING WBG INSTRUMENTS AND CONVENING POWER TO IGNITE TRANSFORMATION & INVESTMENT



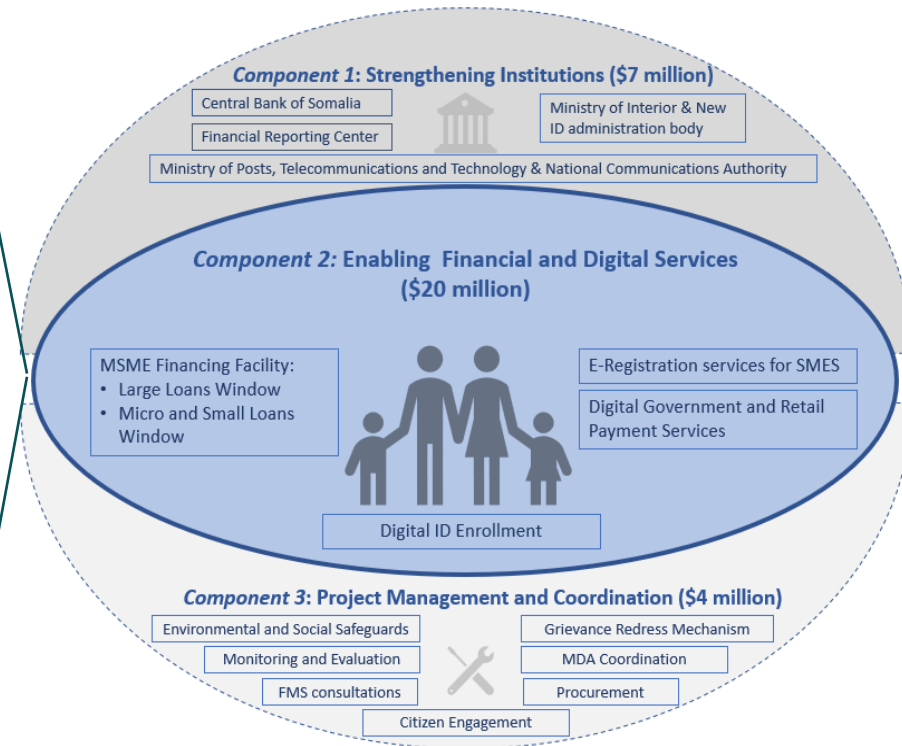
A typical program: Improving access to markets and nutritional outcomes through WBG solutions to address aflatoxin challenges in Rwanda (SDG 2 & 3 – Zero Hunger & Healthy Well-being)



Increasing access to basic digital financial and government services in **Somalia**, targeting **entrepreneurship and employment**, particularly for women (SDG 9 – innovation)

- **Somalia Capacity Advancement, Livelihoods, and Entrepreneurship through Digital Uplift Project (SCALED-UP), with an MSME Financing Facility:**

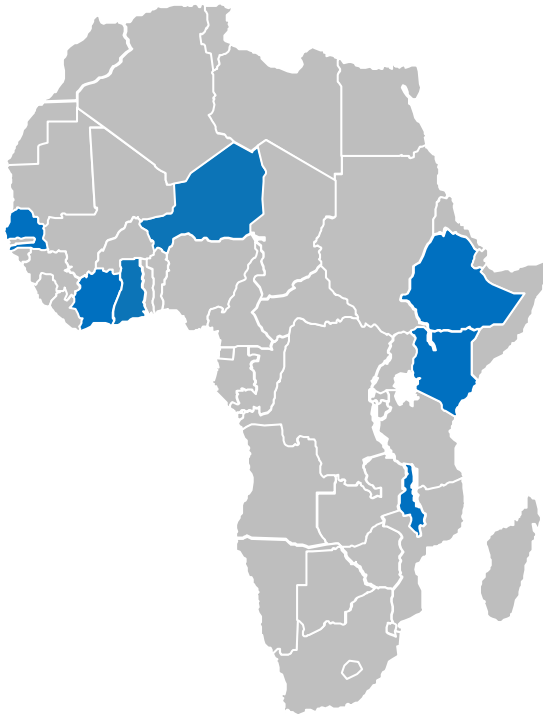
- New autonomous Somali entity providing a **line of credit to bank and non-bank financial institutions** to expand micro, small, and medium sized enterprises (MSME) access to finance
- The MSME Financing Facility will have a **commercial orientation and leverage private sector governance principles**, following MFD approach
- Targeted sectors: **livestock** and energy sectors (covering dairy, including processing and distribution activities, renewable energy, manufacturing, and technical and business services)



Creating markets by increasing the reach of **financial and warehousing services** to underserved populations in the agricultural sector through **warehouse receipt financing reforms**

Ongoing projects in:

Côte d'Ivoire	Ghana	Ethiopia	Kenya
Malawi	Niger	Senegal	Regional West Africa



- Projects implemented in close collaboration with **IFC FIG**
- In Kenya and Malawi, projects have already resulted in close to **50 million USD of loans** with **hundreds of thousands of farmers reached**
- Such projects also help **crowd in the private sector in warehousing** (opening this week of the sector to FDI in Ethiopia)
- Improved access to professional storage can also help **reduce post-harvest losses**

Increasing **private sector investment in agribusiness** through value chain support, spatial development, and investment promotion and close collaboration between FCI and Agriculture GP in the **DRC**

SME Development and Growth Project (\$100m), led by FCI

- Supporting the **growth of MSMEs** and increasing employment and entrepreneurship opportunities for youth and women, with a **focus on agribusiness**, light manufacturing, and services

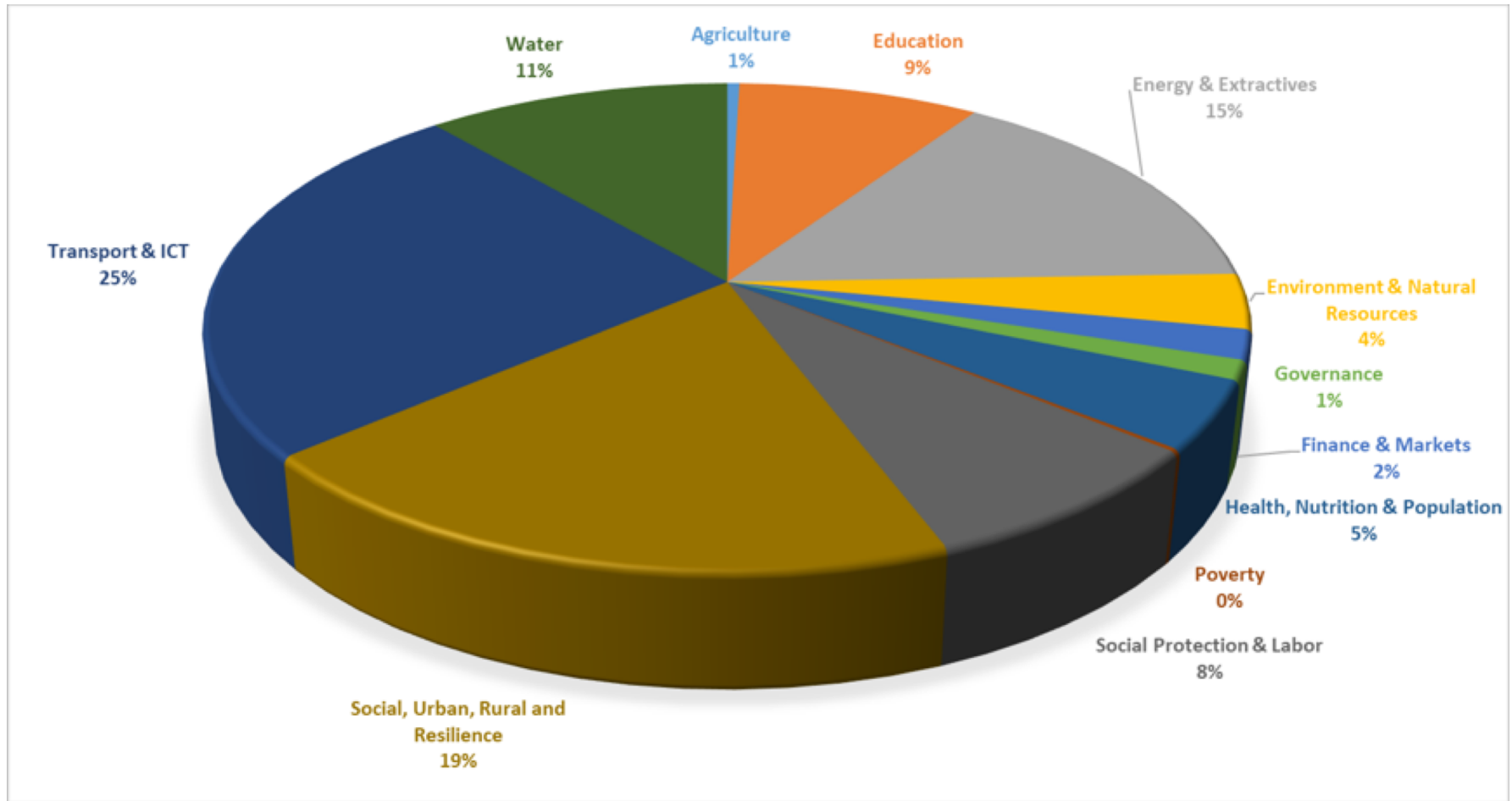
Western Growth Poles Project (\$110m), co-led by Agriculture GP and FCI

- Increasing productivity and employment in **three agriculture value chains (cassava, rice and palm oil)** in target zones
- FCI contributions: (i) development of a **pilot Special Economic Zone** in Maluku, (ii) **investment promotion** activities in commercial agriculture supported through an ASA, and (iii) **investment climate** reforms

Regional Great Lakes Integrated Agriculture Development Project (\$150m), Agriculture GP project with FCI support

- Increasing **agricultural productivity and commercialization** in Eastern DRC provinces of South-Kivu and Tanganyika (along the Ruzizi plain)
- FCI contributions: (i) Feasibility studies for the development of an **Agro-Industrial Park** in Eastern DRC, (ii) **SME development** along value chains and (iii) sector-specific **investment climate** reforms.

SDG investment is cross-cutting: Tanzania portfolio by area of engagement



Inclusive and Sustainable Private Sector Led Growth

Competitiveness & Investment

Cross-cutting economy-wide reforms

Streamlining
Business Regulation

Streamlining Tax
Admin

Supporting EAC
Integration

Enhancing Trade
Logistics

Unlocking investment and job potential in key growth sectors

Agribusiness

Tourism

Light Manufacturing

Cross cutting
Integration of gender sensitive programing & PPD

Case in point: Tanzania Investment Climate – Textile & Apparels

- *Investment generation.* The team undertook a follow-up meeting with the Tanzania Investment Centre (TIC) and agreed to work with them on creating targeted investment proposals based on specific opportunities in the T&A sector. The first step in this process will be to do a comprehensive inventory of the supply chain in Tanzania to identify intermediate processing and service gaps with TIC's research team.
- *Skills and productivity.* The team undertook a follow-up meeting with the Tanzanian Industrial Research and Development Organisation (TIRDO) and agreed to broad areas for cooperation, particularly focused around the investment opportunities identified with TIC.

thank you!