

# **S4YE**

## **Insights from the Private Sector Series**

Dec 2, 2019 | 9:30am – 10:30am | WebEx

# Welcome

---

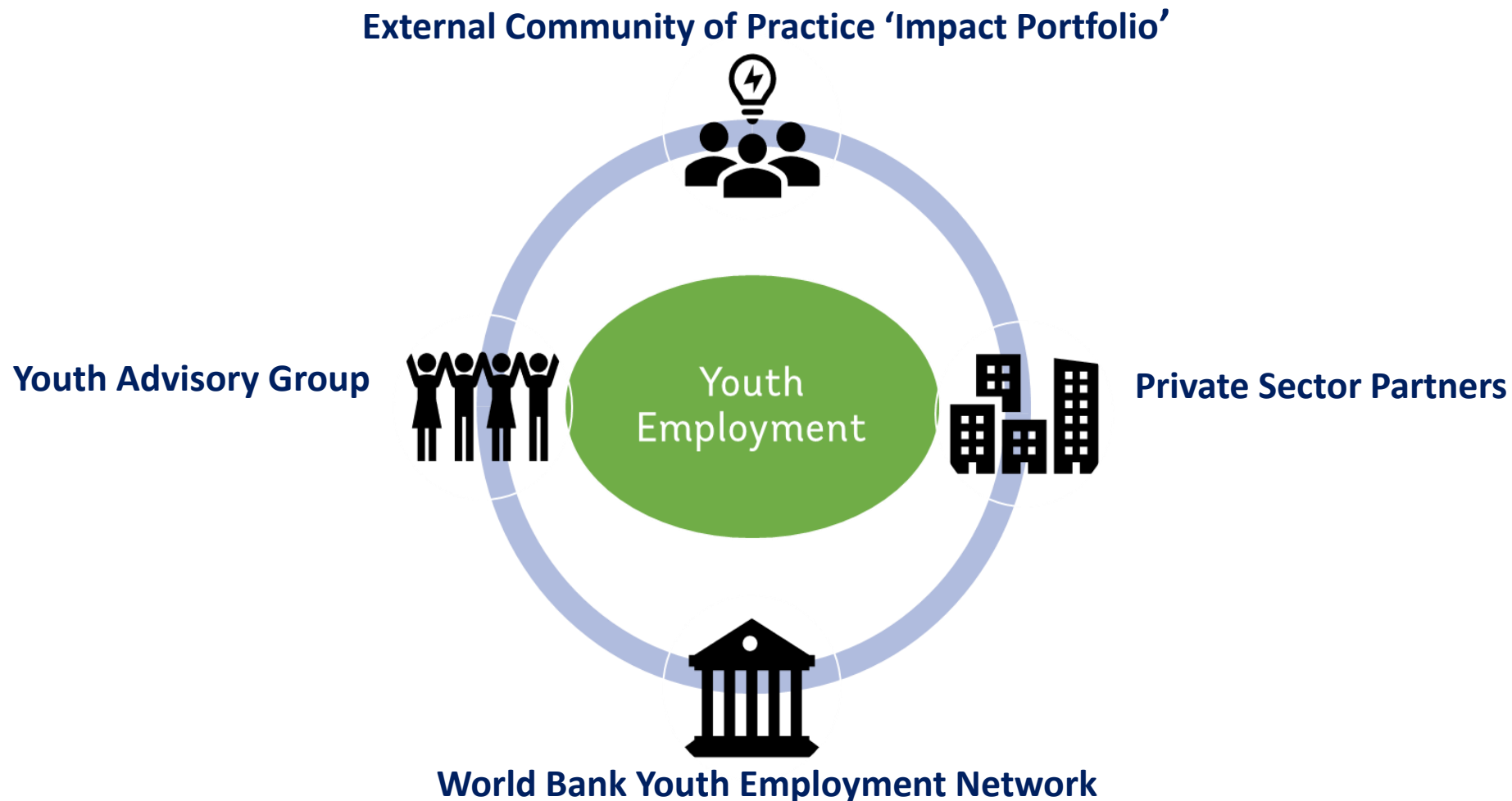
Namita Datta, Coalition Manager, S4YE

 accenture AUSTRIAN  
DEVELOPMENT  
AGENCY BMF  
FEDERAL MINISTRY  
OF FINANCE BASHKIA  
TIRANË Department  
for International  
Development Federal Ministry  
for Economic Cooperation  
and Development ILO international  
youth  
foundation mastercard  
foundation Microsoft Norad PLAN  
INTERNATIONAL RAND  
CORPORATION Office of the  
Secretary-General's  
Envoy on Youth Sida  
SWEDISH INTERNATIONAL DEVELOPMENT  
COOPERATION AGENCY The  
ROCKEFELLER  
FOUNDATION WORLD BANK GROUP ybi | Youth  
Business  
International

**Solutions for Youth Employment (S4YE)** is a vibrant multi-stakeholder coalition based in the World Bank that brings together:

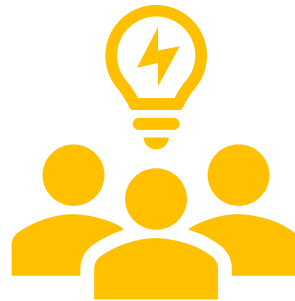
- ✓ 44 innovative youth employment projects
- ✓ 25 private sector companies and associations
- ✓ Youth
- ✓ Foundations, Donors, Bilateral and Multilateral organizations.
- ✓ 150 youth employment projects of the World Bank
- ✓ Part of World Bank Multi Donor Trust Fund with:
  - United Kingdom – DFID
  - Norway – Ministry of Foreign Affairs
  - Austria – Ministry of Finance; Austrian Dev. Agency
  - Germany- Federal Ministry, BMZ.
  - Sweden – Swedish International Dev. Agency (SIDA).

We bring together multiple stakeholders to advance youth employment





**Promote peer to peer  
learning , sharing ideas and  
best practices**



**Combine the strengths of  
private sector (innovation,  
growth) with that of World  
Bank (scale, technical  
expertise, policy dialogue)**





**Facilitate deeper engagement  
and partnership between the  
private sector and the World  
Bank on major corporate  
initiatives**



- ❖ Launching a monthly webinar series showcasing the work of each of our private sector partners
- ❖ A deep-dive profiling Private Sector led Youth Employment initiatives
- ❖ Invitees include colleagues at the World Bank and IFC as well as S4YE's partner network (*150 WB youth employment projects, 44 innovative youth employment projects, 25 private sector companies, other bilateral donors and foundations*)
- ❖ Opportunity for the S4YE community to share experiences, ask questions and learn from each other

## SPEAKERS

- Hans Joehr: Corporate Head of Agriculture, Nestlé 
- Niraj H. Shah: Program Manager, Private Sector Window (PrSW) of the Global Agriculture and Food Security Program (GAFSP) 

## CHAIR

- Iftikhar Mostafa : Senior Agricultural Economist, World Bank 

## OVERVIEW

- This webinar is the second talk in the ‘S4YE-Insights from the Private Sector’ series and focuses on how stimulating agri-prenuership could increase opportunities for youth employment

## AGENDA

- Welcome and Introductions
- Presentations
  - Agri-preneurship in the context of Farmer Connect – Nestlé’s experience
  - Examples from GAFSP Private Sector Window
- Q&A
- Closing Remarks



**Hans Joehr** is Corporate Head of Agriculture at Nestlé. Hans is responsible for providing technical and strategic leadership in the groups' worldwide agricultural raw material supply chain. This includes the agricultural policy, the raw material quality control and R&D where Nestlé buys its agricultural materials at farm level, called "The Farmer Connect" procurement program



**Niraj H. Shah** is the Program Manager of the Private Sector Window (PrSW) of the Global Agriculture and Food Security Program (GAFSP), a US\$390 million multi-donor trust fund supported by the Governments of Australia, Canada, Japan, Netherlands, UK and USA, and managed by IFC as a Blended Finance program. The PrSW co-invests alongside IFC, directly or indirectly, in agribusiness and agrifinance projects impacting smallholders in the agriculture value chain.







## GAFSP Private Sector Window



*Creating Markets, Creating Opportunities*

December 2, 2019



## Public Sector Window

- US\$1.2 Billion
- Managed by: World Bank
- Supervised by: AfDB, ADB, IADB, FAO, IDB, IFAD, WB, WFP
- Donors: 9 (Australia, Canada, the Bill & Melinda Gates Foundation, UK, US, Germany, Ireland, Korea, and Spain)
- Objective: Provides grant funding directly to sovereign governments aligned with overall investment strategies

## Private Sector Window

- US\$394 Million
- Managed by: IFC
- Donors: 6 (Australia, Canada, Japan, Netherlands, UK, US)
- Objective: Provides investment and advisory services to eligible private sector companies in agribusiness, in conjunction with IFC's investments.
- Re-launched in 2012.

# The GAFSP Private Sector Window (PrSW)

## Snapshot

- ✓ **\$330m** approved for 66 investment projects in 27 countries
- ✓ **\$30m** for 71 advisory projects in 32 countries
- ✓ Projects leverage in **1.6x funding** on average from IFC and 5.3x in total financing (project size)
- ✓ GAFSP PrSW projects targeted to reach **2.8m farmers**

- Always co-invests with IFC, directly into agribusiness companies or indirectly via financial intermediaries such as banks / MFIs
- Offers concessional terms combined with commercial terms from IFC in a blended finance solution covering:
  - short and longer term loans,
  - guarantees,
  - first or second loss cover,
  - equity capital,
  - and advisory services
- Projects must meet IFC's Principles of Blended Finance; PrSW concessionalities can be extended to other DFIs
- Targeted at risky (existing or greenfield) agribusiness value chain projects or financial intermediaries
- Focus on smallholders, with additional emphasis on nutrition, climate smart agriculture and gender

# Countries Eligible for GAFSP Funding Support (FY20 List)

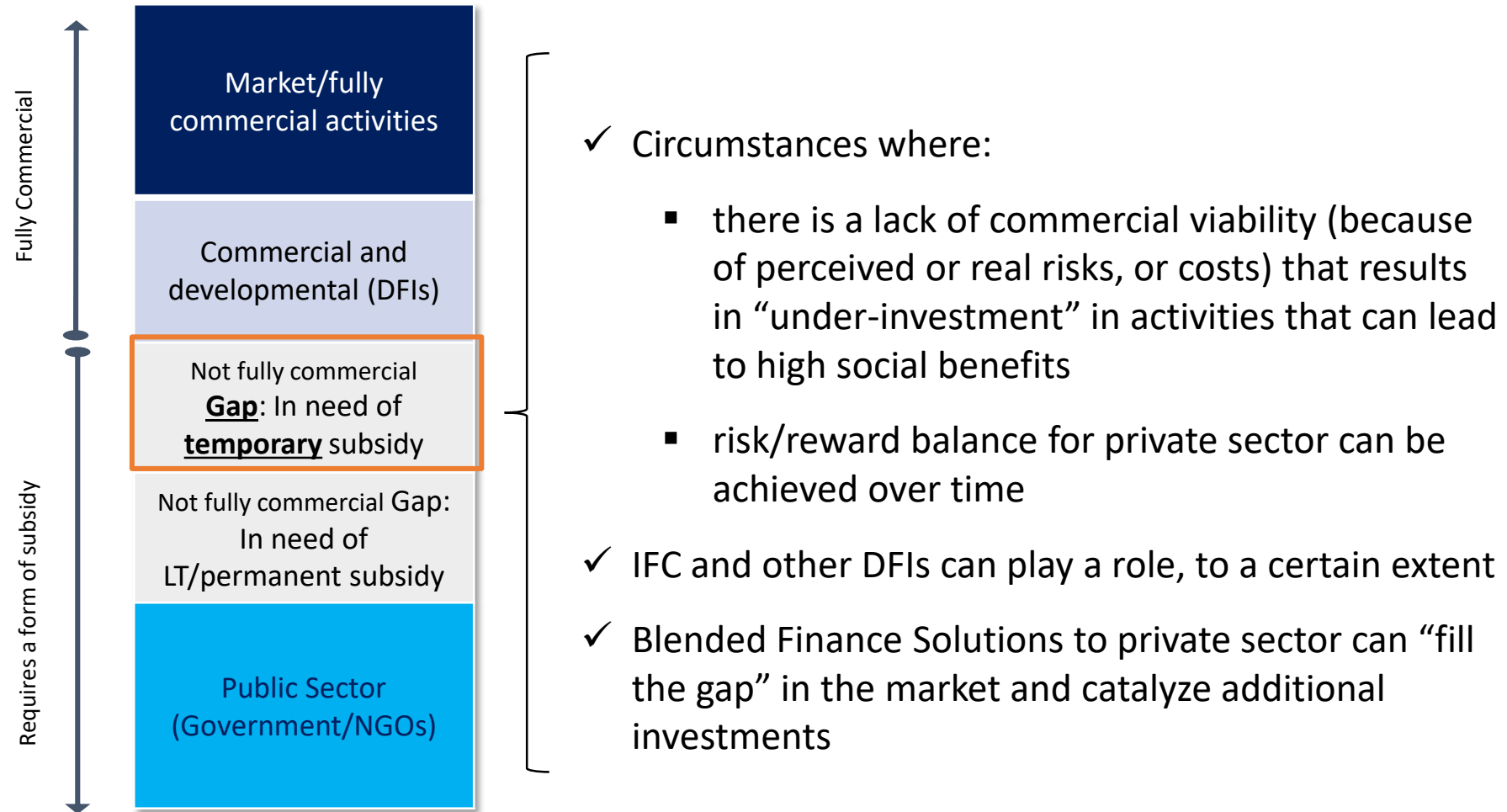
## Delegated Investment Authority to IFC (IDA-only Countries)

Africa			East Asia		ECA	
• Benin	• Guinea-Bissau	• Sierra Leone	• Cambodia	• Samoa	• Kosovo	• Tajikistan
• Burkina Faso	• Lesotho	• South Sudan	• Kiribati	• Solomon Islands	• Kyrgyz Rep.	
• Burundi	• Liberia	• Tanzania	• Laos PDR	• Tonga		
• CAR	• Madagascar	• Togo	• Marshall Islands	• Tuvalu		
• Chad	• Malawi	• Uganda	• Micronesia, FS	• Vanuatu		
• Comoros	• Mali	• Zambia	• Myanmar			
• Cote d'Ivoire	• Mauritania					
• DRC	• Mozambique					
• Ethiopia	• Niger					
• Gambia	• Rwanda					
• Ghana	• Sao Tome & Pr.					
• Guinea	• Senegal					
			South Asia		MENA	
			• Afghanistan	• Maldives	• Djibouti	• Yemen
			• Bangladesh	• Nepal		
			• Bhutan			
					Latin America	
					• Guyana	• Honduras
					• Haiti	• Nicaragua

## Only on case-by case basis by approval of GAFSP Donor Committee (IDA-blend Countries)

Africa	East Asia		ECA	
• Cameroon	• Mongolia	• Timor Leste	• Moldova	• Uzbekistan
• Cape Verde	• Papua New Guinea	• Vietnam		
• Congo, Republic				
• Kenya				
• Nigeria				
	South Asia		Latin America	
	• Pakistan	• Sri Lanka	• Bolivia	• Grenada
			• Dominica	• St. Lucia
				• St. Vincent

# GAFSP Supports Blended Finance Solutions in Agriculture



# Principles of Blended Finance

- IFC uses Blended Finance to create markets and bring about development impact. A disciplined and targeted approach is used to blend concessional donor funds with its own commercial funds by applying the following five principles:
  1. **Additionality and Rationale for Blended Concessional Finance:** Contribution that is beyond what is available, otherwise absent from the market.
  2. **Crowding-in and Minimum Concessionality:** Contribute to catalyzing market development and mobilization of private sector resources, with concessionality not greater than necessary.
  3. **Commercial Sustainability:** Impact achieved by each operation should aim to be sustainable and contribute towards commercial viability.
  4. **Reinforcing Markets:** Addresses market failures effectively and efficiently minimizes the risk of market distortion or crowding out private finance.
  5. **Promoting High Standards:** Promote adherence to high standards, including in areas of corporate governance, environmental impact, integrity, transparency, and disclosure.



GAFSP investment case studies

# Case Study: Mountain Hazelnuts (Bhutan)



## Company

- Sponsors: CEO Daniel Spitzer (IFC client in China in the 1990s) and his wife, Teresa Law, CFO
- Other existing shareholders include impact investors such as responsibility, Blue Moon Fund and Mulago
- Established in 2010 as greenfield venture in Bhutan. Company provides outgrowing farmers with hazelnut plantlets, training and supervision at no cost.
- When trees fruit, MHV will buy the nuts at a fixed, pre-agreed price and sell them to international snacks & confectionery markets after initial processing. First commercial harvests and revenues expected by 2H 2018
- ~11,500 farmers registered and 7.5 million healthy trees planted currently (goal: 15,000 farmers and 10 million trees)

## Development impact

- Doubling of household income of participating farmers
- Income entirely incremental; hazelnut cultivation only on fallow land, unused land
- Impact on >10% of Bhutan's 750,000 population (15,000 farmers with a household size of with ~5 per farmer)
- Creation of ~400 jobs; commitment to gender equality
- GHG: Up to 1.5m metric tons of CO<sub>2</sub> sequestered over the productive lifetime of the hazelnuts trees

## IFC/GAFSP role

- Mobilization of ADB / structuring of deal
- GAFSP (quasi-equity) providing subordination to IFC and ADB
- Demonstration effect

## Transaction structure

- \$15m project cost (planting materials, processing plant, opex)
- IFC (\$3m) and ADB (\$3m) of equity; GAFSP (\$6m) quasi-equity (cumulative redeemable preferred shares (CRPS)); conversion of shareholder bridge loans (\$3m) into equity

### Quasi equity:



### Common/ Pref. Equity:

Sponsors, impact investors



- GAFSP CRPS instrument senior to all equity classes; de-facto subordination to IFC and ADB only via waterfall distribution of investment proceeds
- Milestone-based disbursement plan. GAFSP disbursement disproportionately higher for first 2 of 4 disbursements
- Policy put on Sponsors
- Exit envisaged via trade sale
- Redemption to company after 8 years if no liquidity event



# Case Study: SIB-Cargill RSF (Côte d'Ivoire)

## COMPANY

- **Cargill Inc.** is a leading US-based global commodity trader. In Côte d'Ivoire, Cargill is one of the top two players, and sources 250k MT of cocoa. It has a processing factory, processing 120k MT annually, the second largest in Côte d'Ivoire.

## BANK

- **Société Ivoirienne de Banque (SIB)**, an existing IFC client, is the 4th largest bank in Côte d'Ivoire by loans and the 5th largest bank by assets and deposits.

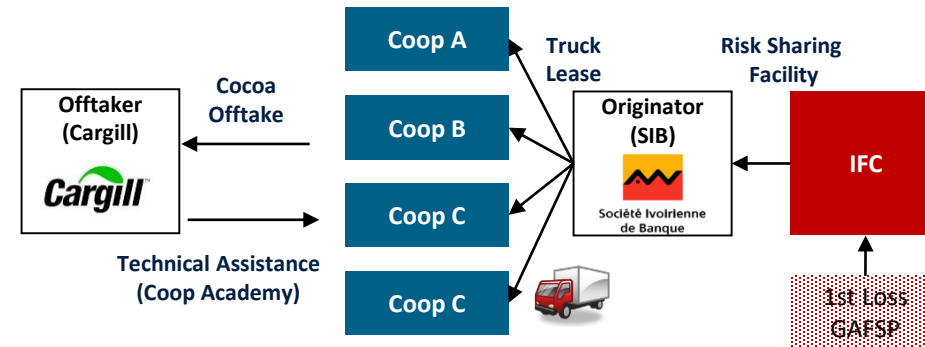


## IFC/GAFSP ROLE

- **Advisory:** IFC and GAFSP are supporting Cargill's coops capacity building program (Coop Academy) by incorporating the ScopeInsight tool which allows for coops benchmarking on various dimensions (financial management, governance, operational efficiency).
- **Resource mobilization:** IFC is providing risk mitigation to SIB to extend, through the provision of leased trucks, medium term financing for coops, which was previously unavailable. GAFSP is providing first loss protection to IFC.
- **E&S Advice:** IFC E&S advised Cargill on enhancements of its E&S risk management system

## TRANSACTION

### Illustrative Structure



- Tri-partite Risk Sharing Facility between (a) Cargill ; (b) SIB and (c) IFC to provide leased trucks to Cargill's supplier cocoa cooperatives (up to 100 coops).
- IFC would share with SIB 50% of the credit risk in a portfolio of medium-term truck leases provided by SIB to the Coop Borrowers for a target size of CFA Francs 3.5 billion (approx. US\$6.0 million).
- Leases will be repaid from the proceeds of the coops' cocoa sales to Cargill.

## DEVELOPMENT IMPACT

- **Farmers Reach:** Up to 70,000 farmers through up to 100 coops
- **Coops Profitability:** Cocoa collection by trucks is the largest component in coops cost structure (high maintenance costs). Acquiring new collection trucks will help reduce the coops costs and improve their profitability.
- **Demonstration effect:** Local banks are generally reluctant to lend to farmers/coops. The Project is expected to prompt other financial institutions to start lending to cooperatives.

# Case Study: Rikweda (Afghanistan)



## Company

- Rikweda Fruit Process Company is a greenfield 15,000 ton per annum raisin processing plant in Kabul, Afghanistan
- The Sponsors are the Rikweda family, father and two sons
- Project cost is estimated at \$9.0m, of which \$6.0m is financed by the Sponsors' equity
- The project is strategically located in Afghanistan's raisin producing region of Shamali

## Development impact

- Providing raisin farmers with sustainable access to markets
- Addition of 50 full time jobs, 35 of which likely for women, and indirect jobs across the value chain
- Providing extension services and technical assistance to improve farming practices
- Promoting women's role through engaging women in the raisin agriculture value chain
- Supporting climate smart agriculture through the development of a modern processing plant to reduce post-harvest losses of grapes.
- Promoting food safety through IFC's technical assistance services

## IFC/GAFSP role

- Providing working capital financing not readily available in Afghanistan at affordable rates
- Environmental and social governance best practices
- Capacity building (food safety, financial management, supply chain development)
- GAFSP providing first loss guarantee
- Stamp of approval as IFC's involvement is expected to raise the project's profile and facilitate future financing from local banks

## Transaction structure



- Up to \$2.5m in 1-year working capital finance, to be recommitted annually for 5 years in total for procurement of grapes
- GAFSP first-loss guarantee of up to \$1.25m, covering up to 50% of IFC's outstanding exposure
- MIGA political risk guarantee of the IDF debt and the Sponsors' equity investment
- C Loan of up to \$0.5m in exchange for IFC advisory services for capacity building
- The plant has been fully financed by the Sponsors and a small USAID grant

# Case Study: KTDA Power (Kenya)



## Company

- Kenya Tea Development Agency (KTDA) is the largest tea business in East Africa.
- KTDA is 100% owned by c. 560,000 smallholder farmers.
- KTDA Power Company (KTDA Power) is a wholly owned subsidiary of KTDA established to implement power projects for KTDA factories.

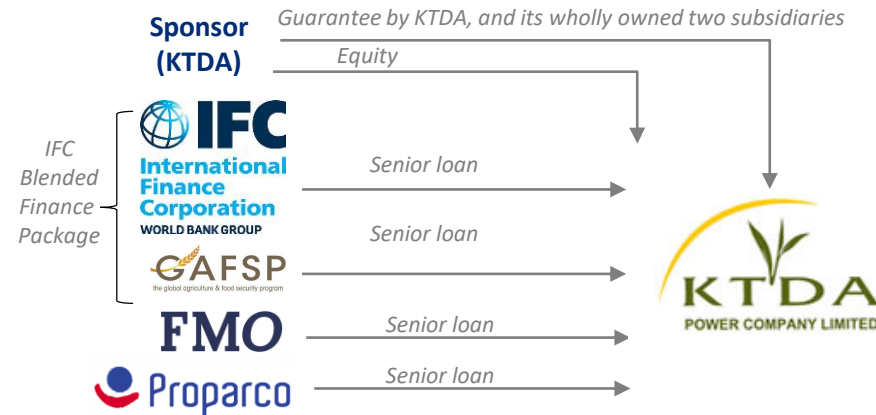
## Development impact

- Higher farmer income: ~350,000 farmers will receive:
  - higher net income against tea sales due to lower energy costs; and
  - dividends as shareholders of the Project.
- Farmer savings: reduced production losses due to more reliable power supply (power outages very common now while fresh tea leaves need to be processed within 6 hours).
- Energy cost savings: It is a climate-smart project, which encourages renewable energy generation, including captive use by commercial and industrial sector clients, that will reduce energy costs (represents ~30% of tea production cost).

## IFC/GAFSP role

- Structuring and Mobilization: Supporting the company in structuring the Project to ensure bankability and syndication of loans.
- Advisory Program: Leveraging IFC expertise/knowledge through associated advisory program including farmer training and energy efficiency advice.
- GAFSP offered a blended finance solution through pricing subsidy to provide affordable financing to the company and mobilize IFC's funding.
- Due to high perceived risks of this greenfield project was financed via concessional finance from the start. The first 3 out of 10 hydro power plants were financed by concessional funds of French Development Agency AFD.

## Transaction structure



- The Project: design, construction, operation and maintenance of 7 run-of-the-river small-hydropower plants with a total installed capacity of 16MW at various locations in Kenya at a total cost of \$85.6 million.
- The small plants will provide captive power generation for KTDA's tea factories, and will sell any excess to the state-owned utility company.
- \$25m IFC A+GAFSP Loan (\$12.5m each) + \$30m Syndicated Loan from FMO and Proparco to KTDA Power (\$15m each), guaranteed by KTDA, and its wholly owned two subsidiaries, Chai Trading and KTDA Management Services. 10-year tenor, 3-year grace period.
- The remaining Project amount financed by new equity from KTDA and tea factories (\$30.6M).

# Case Study: KEP, AfK (Kosovo)

## Companies

### KEP Trust (formerly Kosovo Enterprise Program)

- Largest MFI in Kosovo, offering financial services both to micro and small entrepreneurs and to the marginalized and underprivileged groups of the community. Established in 1999, it is still an NGO. As a non-deposit taking institution, KEP depends on debt and its existing equity to finance further growth. Borrowings account for 55% of total assets.
- 31 branches, ~15,000 borrowers and agriculture loans account for 15% of KEP's loan portfolio.

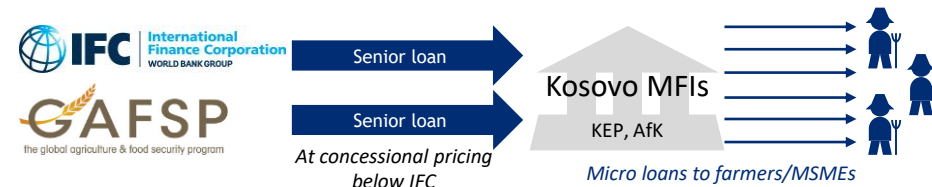
### Agency for Finance in Kosovo (AfK)

- 4th largest MFI in Kosovo. Established as an NGO in 2000 by Mercy Corps, a US-based NGO, to provide financial services to MSEs. In addition to the granted capital, Mercy Corps has provided grant funding in the past to support AfK's growth. 40% of the loan book are agriculture loans account.
- AfK has ~13,300 borrowers and 19 branches. Borrowings account for 73% of total assets, equity for 21%.

## IFC/GAFSP role

- Medium term lending
- Demonstration effect
- GAFSP providing concessional pricing
- Capacity building through (expected) advisory services in the areas of risk management, agri lending (products, capacity building, systems, policies & procedures), credit risk/ underwriting and HR

## Transaction structure



- Loan size:
  - KEP: €1.4m from IFC, €0.6m from GAFSP
  - AfK: €0.7m from IFC, €0.3m from GAFSP
- 3-year tenor, 1-year grace period

## Development impact

- Access to finance in an FCS and IDA country for individuals and micro entrepreneurs, which will lead to farm productivity enhancements, better livelihoods and food security.
- Estimated farmer reach of up to 15,000 farmers (2,000 of which are women).
- Improved practices and competitiveness in the sector resulting in increased availability of products and services with a special focus on agriculture (through IFC/GAFSP's direct investment and advisory support).
- Creation of jobs (incl. for women) in rural areas (indirectly).



GAFSP advisory services case studies

# Case Study: BOVIMA (Madagascar)



## Client Need

---

- Client strategy: Creating a meat export market and improve farmers livelihoods by sourcing animals
- Greenfield operation to develop cattle and goat feedlot and slaughterhouse operation near Fort Dauphin with a capacity of 8,500 cattle and 10,000 goats
- Support client on managing environmental and social risks, establishing food safety management system, and maintaining competitive costs
- Work with at least 5,000 farmers to set up an out-grower supply chain; Establish sustainable animals sourcing from small holder farmers and work with them to improve their production



## IFC Advisory Design

---

- A four-year advisory program approved in March 2017 is (a) providing technical advice and supervision of the establishment of the feedlot and slaughterhouse; (b) help client access export markets; and (c) establish a working out-growers program to supply feed and cattle/goats
- Coordination with on-going WB project to improve the government's institutional capacity in veterinary centers and improve husbandry practices in Madagascar
- Resultant investment project for construction of a \$7 million feedlot, slaughterhouse and the supporting infrastructure

## Planned Results

---

- By the end of project implementation, it is expected that:
  - 5000 smallholders farmers/herders will see improved incomes
  - 5000 farmers will adopt new practices
  - The client will have internationally accepted environmental and social standards adopted



# Case Study: Pearl Dairy (Uganda)

## Client Need

- Client Strategy: Expand into regional markets and improve farmers livelihoods through strengthening capacity and quality of dairy products.
- Pearl Dairy is a greenfield dairy processor that started production in 2013 and was supported by an \$8 million IFC/GAFSP loan
- In 2016 the company doubled production volumes by adding a UHT line and bringing the processing capacity to 500,000 liters per day
- With plans to increase capacity to 1 million liters by 2019 and sales in Kenya, Uganda, Rwanda, Tanzania, South Sudan and DRC, Pearl is the fastest growing regional dairy company and on the way to become a regional leader.
- Mbarara region, Pearl's location is the dairy belt of Uganda yet only 20% of the milk is collected for processing. The farmers are now incentivized to produce more.



## IFC Advisory Design

- Support the establishment of a professional extension team of 50 Dairy Development Executives (DDE) to advise farmers on improving milk productivity and quality;
- Improve productivity of 1,000 Pearl Dairy direct suppliers, by at least 30%, through adoption of best agricultural practices;
- Scale up adoption of best agricultural practices through an outreach campaign targeting 5,000 farmers to improve their practices.

## Planned Results

- Milk output from existing dairy suppliers of Pearl Dairy is expected to increase by 100,000 liters a day and drive a \$3 million annual increase in farmers' revenues.
- Increase Pearl's milk intake from its supply base of smallholder farmer, doubling from the current 350MT of milk a day to 800MT in the coming two years.
- The increase will come through extension of Pearl collection system, establishment of an extension program to work directly with 1,000 farmers, and a farmer outreach campaign aiming to reach 5,000 farmers in the Mbarara District and improve their operations.

# Case Study: SolTuna E&S (Solomon Islands)



## Project Context

- SolTuna Limited is Solomon Islands' sole domestic tuna processor handling over 120 metric tons of tuna per day and employing over 2,000 workers, of which 70% are women.
- It is the largest private sector enterprise in the country and a key contributor to the national economy.
- The Company received an IFC loan of \$10 million in June 2013 to support the expansion and upgrade its processing plant to increase capacity from 100 to 120 metric tons per day
- NFD, a sister company of SolTuna received an IFC + GAFSP loan of \$20 million in 2018. IFC's E&S work covers both companies to improve performance standards.

## Quantitative estimate of benefits/savings

As a result of OHS improvements, SolTuna's OHS statistics (2017) are now standing at 6 which is below the US data for Loss Time Injury Frequency Rate for fish processing (US data, 2010)

- The Marine Stewardship Council (MSC) certification pursued by the Ministry of Fishery will enable SolTuna to increase the price of their products harvested from the fishery by 5-7% ("sustainability premium").
- The absenteeism of women workers has reduced by a third, from 18% to 12%. Based on ex-ante estimation, this allows the company to earn approximately \$1.5 million additional revenue per year.

## IFC Intervention

- ESG team successfully supported SolTuna through grant funding in May 2016 to:
  - Adopt a comprehensive Corrective Action Plan (CAP) on OHS mitigation measures;
  - Start the development of the OHS Management System (MS) which has been completed at 75% by June 2017 in line with IFC Performance Standards and ISO 45000 (OHS Management System);
  - Trigger CAPEX investment of \$120,000 in improving safe working conditions.
- IFC's Advisory Services worked with SolTuna to:
  - Reduce the absenteeism of women through several tailored interventions, including financial literacy training and access to banking services;
  - Establish education and support programs aimed at supporting the victims of domestic violence and changing traditionally held cultural views pertaining to this topic.
- In March 2018, ESG team, with a grant from GAFSP Advisory Services, successfully provided additional capacity building to SolTuna through three consultants, an EHS specialist to further develop and implement the Integrated EHS MS, an HR consultant for the diagnostic of the HR MS and finally the preparation of an EHS/Sustainability report.



# Case Study: Agriculture Leadership Program (ALP)

## Objective

- Integrate smallholders into supply and distribution chains of IFC/GAFSP clients
- Promote standardized and scalable approaches to building business professionalism and facilitating market linkages

## IFC's role

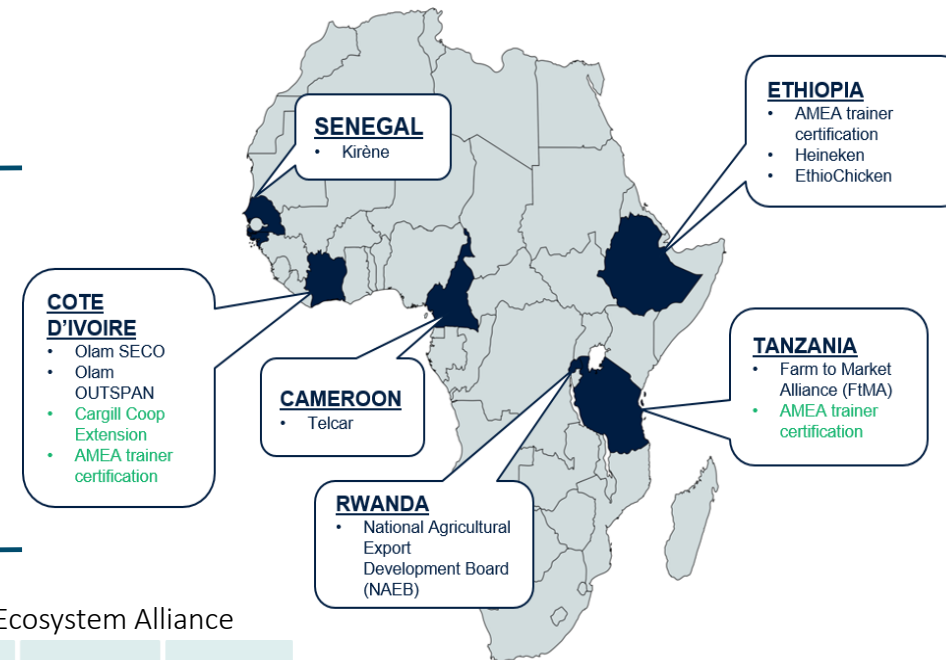
- Currently ALP is in use in 8 projects in 6 countries: SECO/Olam, OUTSPAN/ Olam (Cote d'Ivoire), Telcar (Cameroon), NAEB (Rwanda), Farm-to-Market Alliance (Tanzania), Heineken and EthioChicken (Ethiopia), Kirene (Senegal)
- IFC providing training to leaders, smallholder aggregators and trainers.

## Results

- 247,000 farmer reached
- 586 participating co-ops
- 768 PO leaders trained
- 113 POs qualify to access financing
- 85 local ALP trainers
- 17 training modules
- 8 projects in 6 countries

## Project Summary

- GAFSP project approval: March 2017
- GAFSP approval amount: \$150,000
- Project duration: 1 year



## Agribusiness Market Ecosystem Alliance



# Case Study: Pran Foods (Bangladesh)



## Client Need

---

- In 2014 Pran experienced a food safety incident with turmeric in the US, causing internal audits performed by USDA and need for implemented and documented Food Safety Management System (FSMS) on company level and on farm level.
- Client lacked capacity to implement comprehensive FSMS simultaneously in all five food operators which would also enable traceability and communication of data between companies.
- Pran sought assistance from IFC and GAFSP and in 2015 the IFC Food safety team performed detailed Food Safety assessments on all five of IFC food investment companies of Pran showing on average only 37% (against 100%) compliance with Global Food Safety Initiative checklists.

## IFC Advisory Design

---

- Advisory developed a detailed implementation plan to span over all five companies to be achieved over two-year period (Jan 2016 - Jan 2018) - Phase 1.
- During 2016 the intervention was focused solely on two weakest companies (PAL and NAL), while intervention during 2017 was focused on the remaining three companies with better initial scoring.
- Implementation of detailed Good Agricultural Practices (G.A.P.) assessment and drafting implementation plan for the food safety practices on farm was planned after completion of in-companies implementations (during 2018) - Phase 2.

## Planned Results

---

Phase 1 (Implementation of FSMS with five companies) brought the following results:

- More effective food safety control and risk management
- 6 Trainer of Trainers programs conducted for 264 staff
- New laboratory built and equipped

Company's achievements:

- Food safety compliance increased from 37% to 82% and HACCP certification received for companies: NAL and PAL
- Food Safety compliance for PFL, AMCL increased from 60% to 97% and from 53% to 98% for PDL
- BRC (British Retail Consortium) certification achieved for AMCL and PFL.

Phase 2 - On farm food safety

- Assessment conducted in 2018 and detailed Action Plan drafted and agreed with the client by signing PSA in June 2018.
- Work with four strategic crops: turmeric, tomato, mango and cassava over three year period, directly working with 100 Pran's extension officers and 400 farmers with indirect knowledge transfer to another 10,000 farmers.

# •Thank You!

For further information contact:

Niraj H. Shah  
Principal Investment Officer  
Program Manager, GAFSP Private Sector Window  
[NShah1@ifc.org](mailto:NShah1@ifc.org)

Bheeshm Chaudhary  
Operations Officer, GAFSP Private Sector Window  
[Bchaudhary@ifc.org](mailto:Bchaudhary@ifc.org)

# Agripreneurship

## *Nestlé's Program to nurture future Farmers*

**World Bank** Group: Webinar – Stimulating Agripreneurship as a Solution to Youth Employment

Hans Jöhr

*Corporate Head of Agriculture*

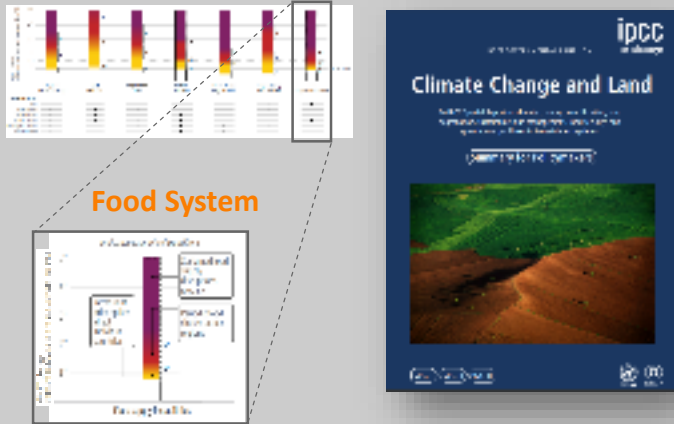
Vevey, 2 December 2019



# A challenged World Food System

## Climate Change

*Impacts on World Food Systems*

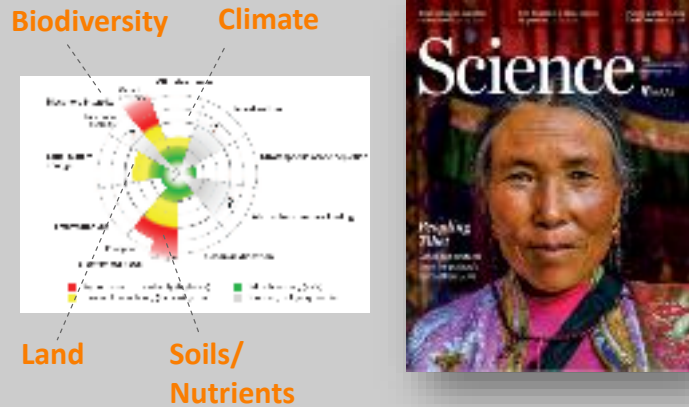


Increases in global mean surface temperature (GMST), relative to pre-industrial levels, affect desertification, land degradation and **food security**

Source: IPCC, 2019. Climate Change and Land. IPCC Webpage (Access August, 2019)

## Planetary Boundaries

*9 Control Variables*



Estimates of how the different control variables for **seven planetary boundaries** have changed from 1950 to present

Source: Steffen et al. 2015, Planetary boundaries: Guiding human development on a changing planet. Science 347, doi: 10.1126/science.1259855

## Food in the Anthropocene

*The EAT–Lancet Report*



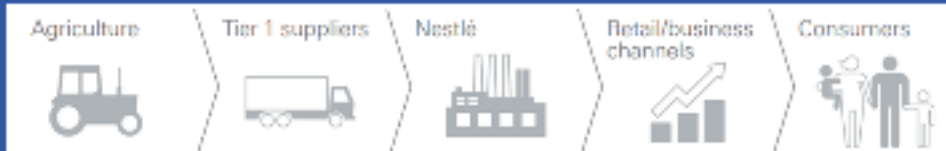
Highlights the inherent connection between **healthy diets** and **sustainable food production** and sets scientific targets to feed 10 billion people by 2050.

Source: Willet et al. 2019. Food in the Anthropocene: the EAT–Lancet Commission on healthy diets from sustainable food systems. doi.org/10.1016/S0140-6736(18)31788-4



# Nestlé Global Youth Initiative

Nestlé needs YOUth leverages our entire value chain



We want to help equip the next generation for employment, and help them become creative innovators in our company, successful **agripreneurs**, **entrepreneurs** and **game changers** regardless of their field or level of expertise.

We want to create economic opportunities in 3 areas that matter most to our company and to young people



Employment & employability



Agripreneurship



Entrepreneurship

# Agripreneurship *Vision*

## •Vision

•We want our small and big farmers/suppliers to embrace transformational change and become fit for the future. Farmer/suppliers of all ages shall ensure future supply of safe, quality assured, regulatory compliant and price competitive raw materials to Nestlé factories. They shall lead a profitable farming business and appreciate a rewarding lifestyle.

•To do this we have to move beyond implementation of basic responsible sourcing and good agricultural practices and give stronger emphasis to Agripreneurship.

Through Agripreneurship we aim at:

- Embracing transformational change
- Work towards an enabling farm environment
- Foster business mindset, holistic thinking, risk taking
- Contributing to agility and speed – a real step change

# Definitions *Agripreneurship, Candidate Agripreneur & Agripreneur*

## **Agripreneurship**

Agripreneurship is a programme that aims at accelerating the development of capable and willing farmers to grow their farming skills and competences. It contributes to building competitive and sustainable growth-oriented and profitable farming businesses.

## **Candidate Agripreneur**

Farmers participating in agripreneurship programs are called candidate agripreneurs. They show some of the agripreneur attributes, but clearly need to further evolve and develop their skills. Once the candidate graduates from the program, has fully incorporated the agripreneurship mind-set and practices entrepreneurship on his farm, the candidate can be called Agripreneur.

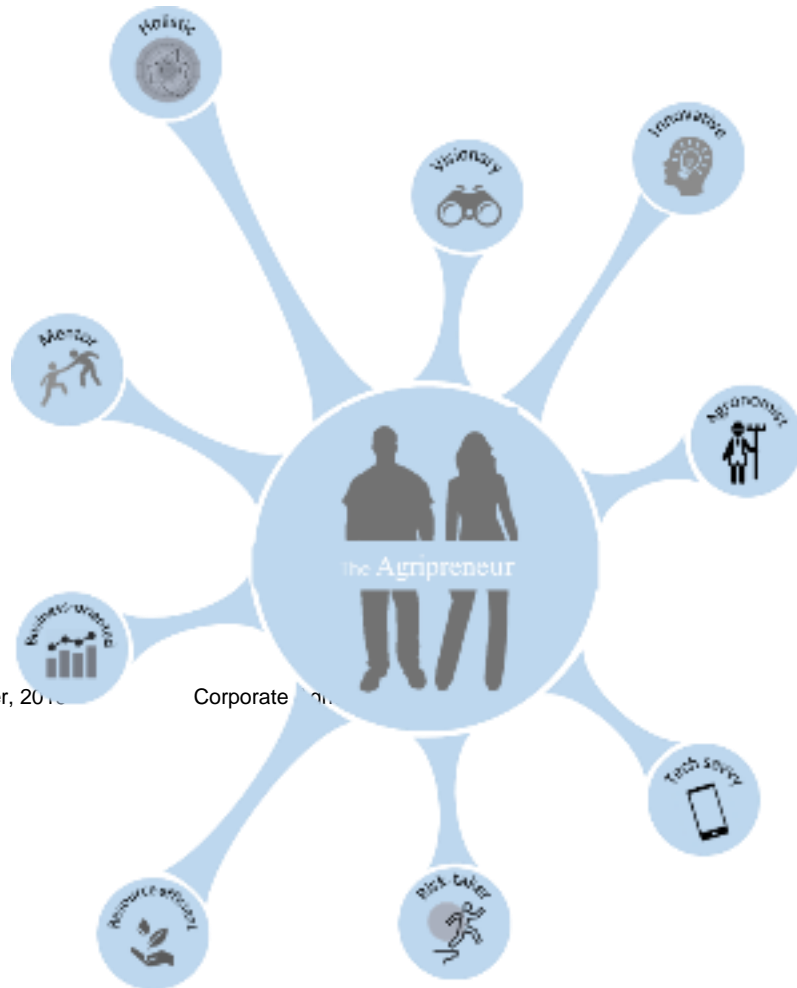
## **Agripreneur**

Agripreneurs are ambitious, dynamic and reflective, possess of a strong business mind-set and follow an innovative business model. Agripreneurs are usually lead farmers. They are proficient in practical agricultural skills, are financially literate and are environmentally conscious. In their daily works they are using technologies including digital in agriculture to create competitive advantages. Agripreneurs are continuously improving their production systems rewarding them with an attractive lifestyle while protecting natural resources.



# Future Farmers

Innovative capacity building solutions to enable behavioral change



# Future Farms

Exploration and development of new farming and value chain models



Finance &  
Insurance  
Instruments



Farm  
Mechanization &  
Automation



Good Agricultural  
Practices



Farm  
Infrastructure



Sustainable Holistic  
Production Systems



Farming Inputs



Digital Decision  
Support Tools



# Conductive Environments

Offer **access** to markets for **“primary” raw materials** and transparently communicate on pricing mechanisms

Facilitate **access** to markets for **“secondary” raw materials** through peers and 3rd parties with complementary interests

Foster **alliances** with public and private organizations to **create conducive environments**

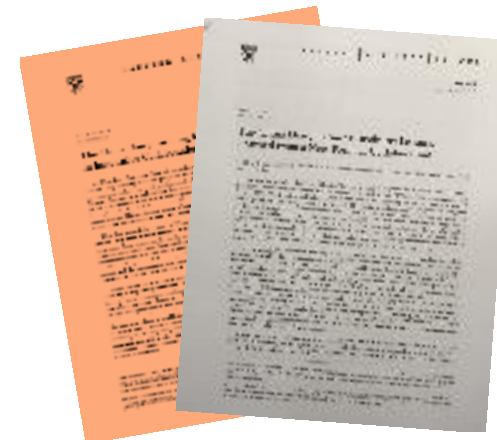
# Agripreneurship in China *Dairy Farming Institute*



Sustainable Agriculture Initiative Practice Cases



External Academic Review





# Milk Sourcing China *10 years ago*

## Milk Collection Center Model (MCC)



# Milk Sourcing China *10 years ago*

## Milk Collection Center Model (MCC)



## Direct Supplier Farmer Model (DSF)

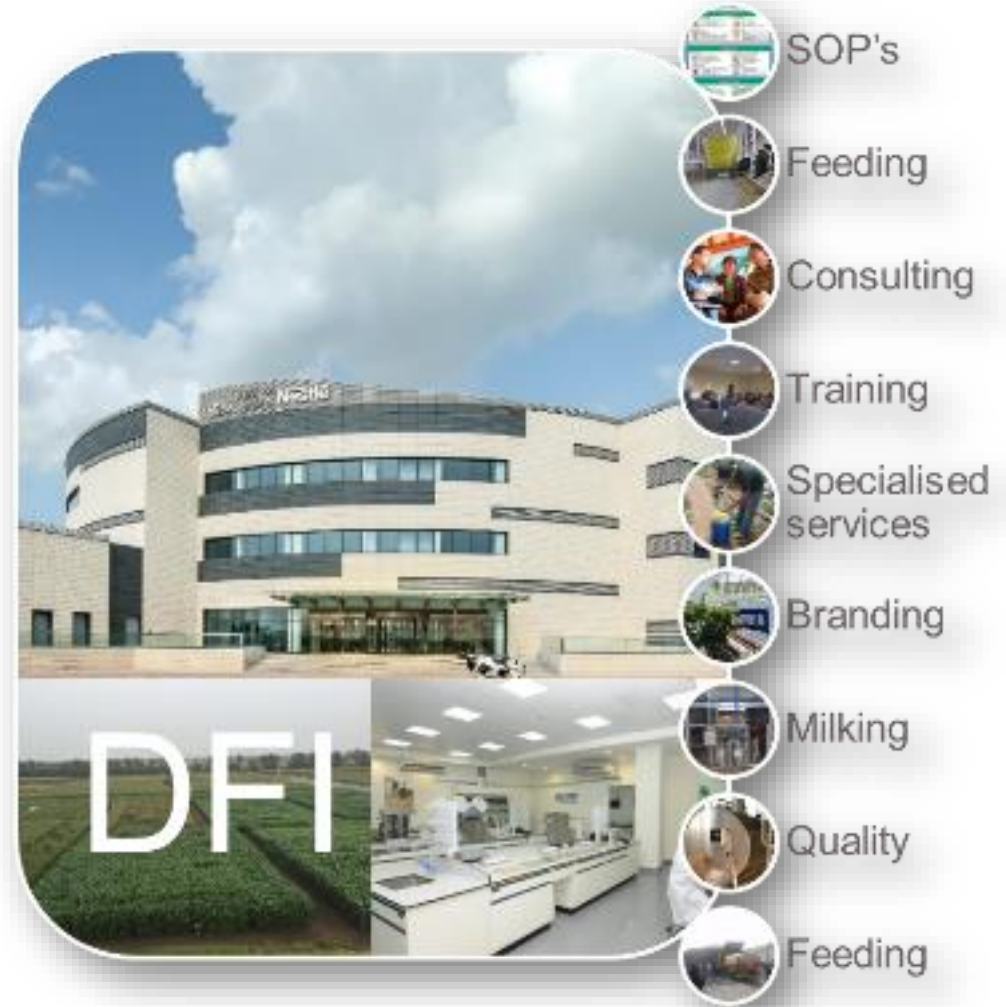


# China Dairy Farming Institute *Inauguration 2014*





# China Dairy Farming Institute *Inauguration 2014*





# Unique Learning Environment *Opportunities at DFI*

**DFI TRAINING PROGRAM INTRODUCTION**

**ADDRESS:**

- 1. DFI Training Center
- 2. DFI Training Center
- 3. DFI Training Center
- 4. DFI Training Center
- 5. DFI Training Center

The training program includes classroom lectures, case studies, hands-on farm, training, laboratory and data management analysis training to ensure each student goes home with increased skills and skills.

A student's certificate will be issued by DFI and submitted for qualified students.

**MISSION** Developing the future farm managers and professionals for the dairy industry

**VISION** China's leading center of competence for dairy farming

**LEVEL 1 FARM WORKERS**

**LEVEL 2 FARM SPECIALISTS**

**LEVEL 3 FARM MANAGERS**

**LEVEL 4 GRADUATE LEVEL TRAINING**

## Initial Partners:

Initial Partners:

- Alltech
- ICM Dairy Tech. Knowledge Application
- GEA
- SCR
- 蓝德雷
- WISCONSIN
- Boehringer Ingelheim
- Elanco
- zoetis
- EAST ROCK
- FÖRSTER TECHNIK
- Avery Weigh-Tronix
- GOKE

# Impressions *Cows and Barns*



# Impressions *Students & Partners*





