

Afreximbank announces \$2Bn for food security initiative in Africa

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The African Export-Import Bank (Afreximbank) in Cairo, entered into a framework agreement for the Export Agriculture for Food Security (ExAFS) Initiative with ARISE Integrated Industrial Platforms (ARISE IIP) and the governments of Chad, Malawi, Zimbabwe and Egypt. The initiative seeks to improve food security in Africa.

At a ceremony on the fifth day of the third Intra-African Trade Fair (IATF2023), Prof. Benedict Oramah, President and Chairman of the Board of Directors of Afreximbank, signed the framework agreement on behalf of the Bank.

Afreximbank, working with strategic partners and member countries, is facilitating the implementation of the ExAFS initiative by committing \$2 billion to boost production, processing and intra-African trade in agricultural products and provide African farmers and agribusinesses with opportunities to access larger markets across the continent.

The initiative is intended to help address food insecurity in Africa, which includes a nearly 20 per cent hunger rate, by reducing dependence on other regions for much-needed food commodities. ExAFS will also increase sales, lead to better prices, and improve profitability for Africa's agricultural value chain stakeholders.

It will leverage upon the establishment of agricultural transformation centres (ATCs) under a public-private partnership model in agricultural production zones to provide facilities for agricultural produce from farming communities to be collected, sorted, stored, and transported as raw material for processing or distribution. ATCs will also provide additional services to farmers, including microfinance, basic social services, cold storage facilities, extension services and training.

Afreximbank will act as a financier, facilitator and advisor and will lead the implementation of partnership activities while governments of pilot origin countries of the agricultural produce (Zimbabwe, Malawi and Chad) will play the role of policy enablers and ensure conducive environments for the ATCs. ATC anchor investors, such as zone developers, large-scale commercial farmers, seed companies and development finance institutions, will invest in the ATCs and their necessary infrastructure and will be the primary purchasers and aggregators in origin markets while anchor buyers, such as the Government of Egypt, will be the primary export markets for agricultural produce.