

***Investing in Agriculture in Liberia  
The AfDB and the Liberian Context***

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# Presentation Outline:

- I. Economic context and need for agricultural transformation
  
- II. AfDB's support for Agricultural Transformation

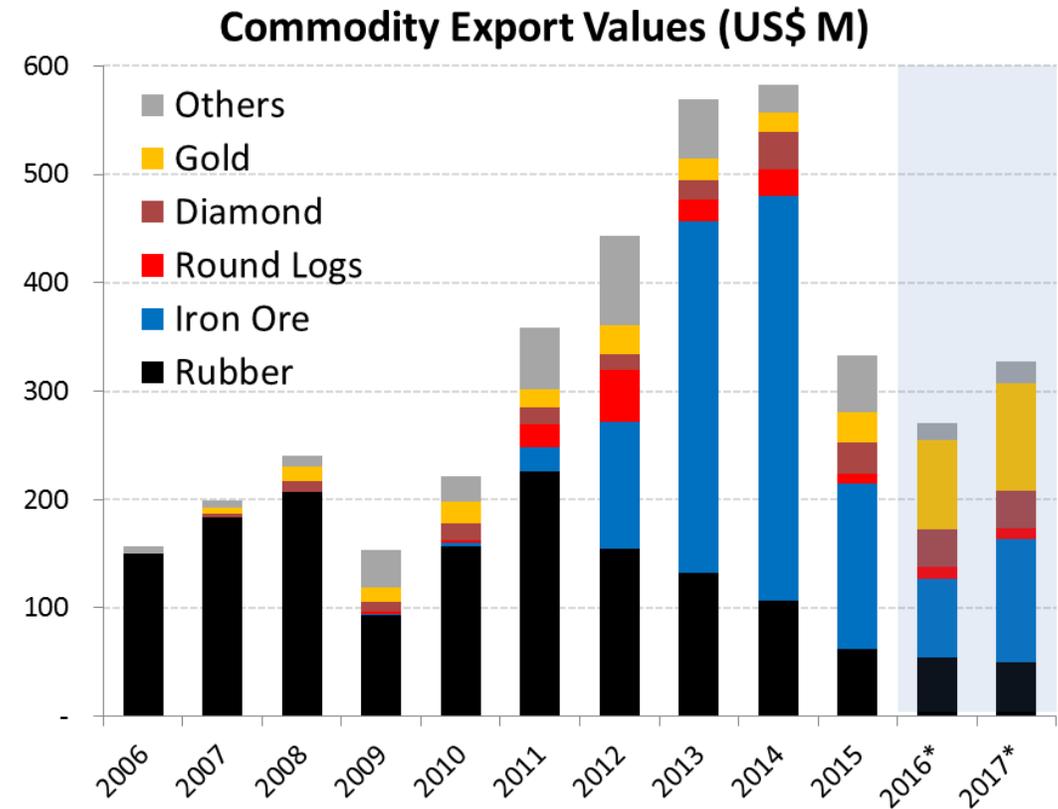


# Liberia's Economic Context and the Need for Agricultural Transformation



## Growth in Liberia has declined as traditional export prices have dropped

- Growth averaged near 8% from 2006 to 2013, but dropped to near 0% from 2014 to 2016
- EVD crisis and ongoing impact of the drop in international commodity prices for key exports – rubber and iron ore – has removed historical growth drivers
- Donor assistance, despite a brief surge due to EVD-related support, is declining, highlighted by the drawdown of UNMIL – reducing demand for services

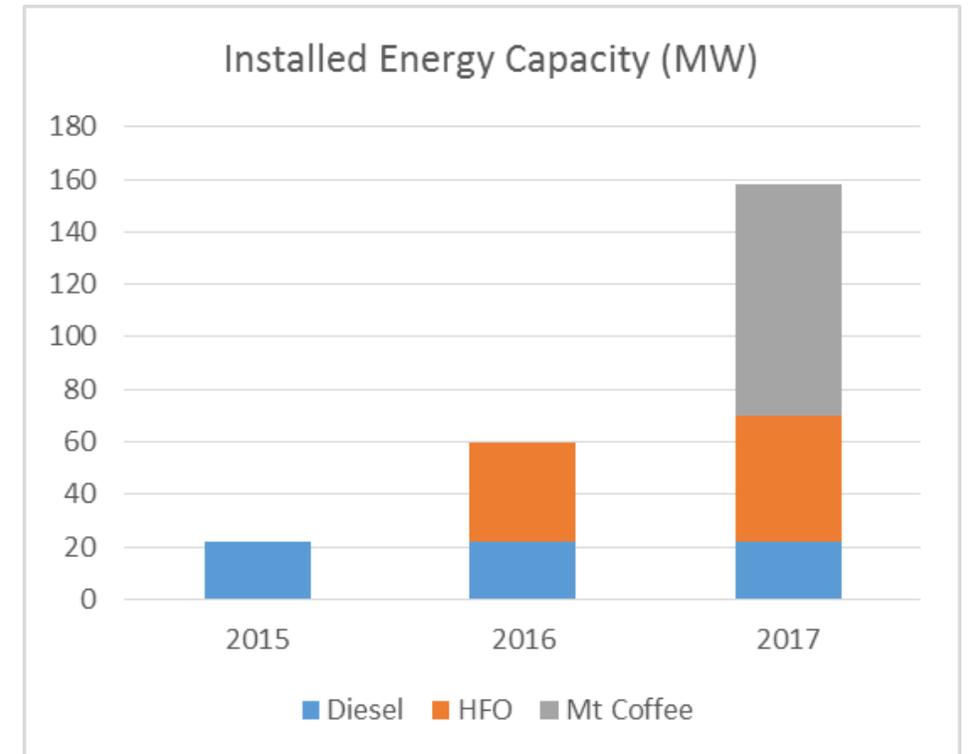


Source: Central Bank of Liberia, AfDB staff estimates; \*2016-17 projections



## Despite headwinds to growth, there are some supportive developments

- Various positive developments should provide some support to growth:
  - Commencement of commercial gold exports helping diversify and cushion export revenues
  - Resumption of infrastructure projects halted during the Ebola epidemic
  - Infrastructure improvements gradually addressing one of the most significant constraints on business:
    - Energy production and access expanding considerably
      - 3 HFO plants online in 2016, Mount Coffee December 15
      - LEC connections: 13,000 in 2012 to 45,000 in 2016 and continuing
    - Road network expanding - beginning to open up interior
      - 425+ km including Monrovia to Ganta & Buchanan paved



## Liberia needs to invest in economic diversification and agriculture

- With traditional sources of growth declining, the Government has developed the Liberia Agricultural Transformation Agenda (LATA) to support growth in key value chains:
  - Oil palm
  - Rubber products
  - Cocoa
  - Fisheries
  - Rice
  - Cassava
- GoL is supporting growth in these sectors by:
  - Prioritizing public investment in supportive infrastructure
  - Improving the regulatory regimes for each sector



## Investment opportunities in these sectors can support inclusive, sustainable growth

- Rubber products
  - Industrial investors in downstream products (compounding)
  - Ribbed Smoked Sheet Processors
- Cocoa
  - Investors who can provide farm inputs and extension
- Fisheries
  - Industrial investor in aquaculture & processing
- Oil palm
  - MSMEs developing oil palm products (e.g. soaps, cooking oil, etc.)
- Rice
  - Industrial processors in rice and investment in commercially viable irrigation schemes
- Cassava
  - Industrial investors in cassava processing
- Supportive sectors such as:
  - packaging, logistics, agricultural financing, and business development services



# AfDB's Support to Agriculture Transformation in Liberia



## The AfDB is focused on “High 5” Priorities

The High 5  
Le Top 5  
for transforming Africa  
pour transformer  
l'Afrique



1. Power and Light Up Africa



2. Feed Africa



3. Industrialize Africa



4. Integrate Africa



5. Improve Quality of Life of Africans

# With a key focus on agricultural transformation

## Goals

1 Contribute to the end of extreme poverty



2 Eliminate hunger and malnutrition



3 Become a net exporter of agricultural commodities



4 Move to the top of key agricultural value chains



## Status Today

**49% of Africans or 420 million** live under the poverty line of \$1.25 per day (2014);

Those living in poverty will rise to **550 million by 2025** if we do nothing

**33% of African children** live in chronic hunger;

**40 million stunted children** under the age of 5 years as at today

Staggering net **food import bill of USD 35.4 billion** per annum (2015);

Net Imports projected to increase to **USD 111.0 billion per annum by 2025** if we do nothing

**Low value addition** to agricultural commodities and **predominantly primary production**;

Africa's share in global production of cocoa beans is **73% vs. 16%** share in ground cocoa

## Target by 2025

**Contribute to alleviating poverty** through job creation and providing sustainable livelihoods;

**~130m** lifted out of extreme poverty

**Food security** for all Africans that are 'undernourished';

**Zero hunger and malnutrition**

**Eliminate large scale imports** of commodities that can be produced in Africa, and **selectively begin to export**

**Africa's net trade balance – \$0 billion**

**Africa share of market value for processed commodities ~40%** (Example for cocoa grinding)

# AfDB support to agriculture development in Liberia

- **Infrastructure investment**

- **Roads: *increasing market access***

- Fish Town – Harper Road paving
- Expecting further support to Mano River Union Road Transport Program (exp. 2017)

- **Energy: *expanding energy access in rural areas***

- CLSG Interconnection and Rural Electrification
- Liberia Energy Efficiency and Access Program (LEEAP) – RIA corridor, Pleebo – Fish Town
- Scaling up Renewable Energy Program (exp. 2018) – off-grid renewable energy

- **Agriculture sector support**

- **Smallholder Agriculture Productivity Enhancement and Competitiveness Project (SAPEC)**

- Rehabilitating 270 km of feeder roads
- Establishing e-registration platform to identify and target famers
  - More than 180,000 registered
  - Improves targeting for input suppliers and MoA support



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# **THANK YOU**