

Africa

- **Africa:** By 2050, nearly 80% of the world's population will live in urban centres. The urban growth rate in Africa is 3.5%, and by 2050, 60% of all Africans will be living in cities. Lack of employment, high food prices and malnutrition exacerbates the problem of poverty and urban food insecurity in Africa. Through urban agriculture, poor people can be helped to cope with food scarcity and hunger through the growing of plants, raising of livestock within and around cities, community gardening, rooftop gardening, urban forest gardening, green walls, vertical farms, animal husbandry, urban beekeeping, etc.

It will also offer urban poor a viable income. International organizations like UN-Habitat and FAO are increasingly recognizing the importance of urban agriculture. Urban agriculture is becoming prominent in many African cities. In Dar es Salaam, urban agriculture forms at least 60% of the informal sector and urban agriculture is the second largest urban employer. In Lusaka, Zambia, over half of the residents of urban areas practice urban agriculture to grow their own food. In Yaounde, Cameroon, many urban households raise livestock, including poultry, dairy cattle, and pigs. The FAO is supporting initiatives of urban farming in Africa. According to the projection of FAO, there will be 35 million urban farmers in Africa by 2020. For more information, read: <https://bit.ly/2VyRskO>.

CAS Analysis: With a rapidly increasing population, and an equally rapidly urbanizing population, linked to an aging farming population (average farmer is 63 years old) and a youth turning its back on farming, food security is becoming a severe issue. At the same time, poverty and unemployment are severe challenges government officials and politicians have to deal with. We are also seeing food imports between US\$35 and US\$41 billion annually, this while Africa has the potential to feed the world. Urban agriculture is being pushed as a solution to address a number of these challenges. Urban agriculture is part of the urban ecological system and can play an important role in the urban environmental management system. Growing cities produce an increasing amount of wastewater and organic wastes. Urban agriculture can help to solve this challenge by turning urban wastes into a productive resource. The RUAF Foundation has indicated that a large part of the people involved in urban agriculture is the urban poor. In many cities, however, one will also find lower and mid-level government officials, school teachers and the like involved in agriculture, as well as richer people who are looking for a good investment. Urban agriculture includes food products from different types of crops (grains, root crops, vegetables, mushrooms, fruits) and animals (poultry, rabbits, goats, sheep, cattle, pigs, guinea pigs, fish, etc.), as well as non-food products (like aromatic and medicinal herbs, ornamental plants, tree products, etc.), or combinations of these.

- **Africa:** Innovations are enabling Africans (even those in rural areas) to move up the financial services value chain. Fintech has proved a 'game changer' in sub-Saharan Africa by transforming service delivery, with greater efficiency. Recognising this, Fintech firms are courting foreign investors; last year, African tech startups raised investment worth US\$334.5 million, with Nigeria, South Africa and Kenya being the principal recipients.

Wide ranges of services are now accessible to millions at a fingertip, thanks to near-universal availability of mobile across SSA. Fintech providers are leveraging economies of density (i.e. large customer base) and reliable networks to expand their portfolio of services, including remittances, insurance premiums (Lesotho), pension payments (Ghana), investing in Government securities (Kenya), or stock markets, paying utility bills and receiving wages, as well as buying goods and services online. Some providers even allow households to borrow electricity on monthly instalments, thus avoiding blackouts. Fintech has opened access to services beyond those offered by conventional banks and moneychangers. Providers include Orange Money, MTN Group, SimbaPay, M-Pesa, M-Shwari, Wizzit and Zoono, to name but a few. For more information, read <https://bit.ly/2OqxEAI>.

CAS Analysis: The article provides quite a number of examples of how fintech and mobile telephony is winning ground in the battle for the pocket of the bottom of the pyramid consumer. This market segment does not trust the formal banking system and have been tapping into the products and services of the telcos. Much has been written about this phenomenon. Much more will still be written. Universities globally have created centres to research this technology and develop new products. With the development of quantum computing, the sky is the limit. The question is whether banks have a finite life or whether they will survive this potential disintermediation in the retail bank environment.

East Africa

- **Rwanda:** According to the RDB, Rwanda is looking for massive foreign and local investments for the multi-million dollar projects lined up to spur economic growth. Rwanda is safe and open for business and it has many investment opportunities in several sectors of the economy.

The country offers a conducive environment for investors to do business. Some major multi-million dollar projects in Rwanda that require heavy investments, include the Kigali Innovation City (US\$315 million), and the Kigali City Duty Free Mall (US\$100 million). Rwanda is at the crossroads of Africa and has great fundamentals. It has also on several occasions been ranked high by the World Bank's Ease of Doing Business report. Rwanda continues to reform its business environment to boost investment and private sector growth, according to Emmanuel Hategeka, deputy CEO of RDB. Investments in Rwanda in 2018 amounted to US\$2 billion dollars in 2018. The latest Ease of Doing Business report ranks Rwanda at 29th out of 190 countries. For more information, read: <https://bit.ly/2JlwYoR>.

CAS Analysis: Rwanda and Ethiopia are being projected as the darlings of potential foreign investment in Africa. Rwanda's economic growth rate for 2018 is put at 8.6%, which will in all probability be one of the highest in Africa. The country is also actively addressing weak points in order to improve its position on the Ease of Doing Business Ranking of the World Bank. The safety within the country makes it one of the safest countries in the world. It is also actively and enthusiastically engaging in activities to address the world of digital technology. Innovation is not just a buzzword in this country, but is seriously encouraged.

- **Rwanda:** As part of its Green Growth strategy, the Rwandan Ministry of Environment is set to cultivate bamboos on a large scale and process them for environmentally friendly and sustainable packages, as well as for the production of paper products and possibly edible foods.

The initiative will be done in partnership with the China Bamboo Aid Project. Set to be planted along the country's river banks as an environmental conservation effort, 4 more bamboo species are going to be introduced, adding to the 5 that are currently present. Some of the species are edible as vegetables (salad) when they are still young and can also be processed into other food products with Chinese technology. The others are for timber to produce tiles, packaging papers and hygiene papers. Nurseries in the Huye, Rulindo and Nyandungu districts have the ability to produce up to 1500 seedlings each in 6 months. People will also be taught on cooking methods. It is yet to reach mass consumption. Plans to construct other nurseries are in the pipeline. They will start with a small model factory that can process bamboos from 500 hectares, but at least 5,000 hectares is needed to feed a big factory. For more information, read: <https://bit.ly/2Ff3Z6u>.

CAS Analysis: Bamboo farming has a number of benefits. According to Africa Renewal, agronomists in Africa believe it can restore degraded landscapes, while economists think it is a potential "green gold," and a silver bullet for design and architecture that is already attracting a global market. It was only recently that the widespread commercialization of bamboo began taking root, spurring hopes of generating income and creating jobs for the rural poor. According to the UN, Ethiopia is the biggest producer of bamboo in Africa. The global bamboo economy is now valued at US\$60 billion, and is a potential income generator for rural communities. To tap into this lucrative green economy, African governments and the private sector have begun positioning themselves to commercialize bamboo. Bamboo is used to make a long list of high-value products. According to UNEP, bamboo has over 2,000 different uses. China is of the opinion that there are nearly 10,000 uses and can fetch even more money if processed. Bamboo can be used for furniture and a variety of building and roofing materials. It is also a source of bio-energy. For more information, read: <https://bit.ly/2UfMBb7>.

West Africa

- **Ghana:** Ghana's Ministry of Food and Agriculture is looking to cut down rice imports by 50% and end tomato imports this year. The government is working to cut the levels of food import significantly. They want to produce enough even for export as they believe they have the capacity to do so.

Efforts to expand irrigation projects and the introduction of mechanization are among the efforts to help boost production. The Israeli Ambassador to Ghana stated his government would continue to invest in Ghana's Agric sector. They are also doing a lot of capacity building for farmers, and are working to attract more investors from Israel to Ghana in the agriculture sector to boost commerce between the two states. In 2017, Ghana imported some 656,232 tons of rice worth US\$331.2 million. In the same period, 75,000 tons of tomatoes were also imported to meet domestic demand. For more information, read: <https://bit.ly/2FEGQM9>.

CAS Analysis: Here we have another example of an African country legislating the reduction of agricultural product imports. The halving of rice imports is a rather steep reduction, while the total ban on the import of tomatoes will hurt those who have been importing it. It will hopefully lead to an uptake in the agriculture sector. If not, tomatoes and rice are going to become very expensive. I have referred a number of times to the crazy phenomenon of Africa importing food whilst it has the potential to feed itself and the rest of the world. Ghana is by no means the only country adopting such legislation. Others have also regulated the requirement to add value (agro processing) before exporting can take place. Rwanda, for example, has regulated that dairy products were prohibited to be exported without prior value addition.

- **Nigeria:** Nigerian digital agriculture platform Farmcrowdy has raised an additional US\$1 million seed funding, of which US\$ 500 000 was in the form of debt financing. Farmcrowdy said it would use the additional investment to continue growing their platform and expand their market across Nigeria to cover 50% of all 36 states over the next 12 months.

It has also announced it is preparing for a Series A fundraiser later in 2019. Farmcrowdy's CEO announced it was looking into the possibility of utilising drone services for field analysis, improving their farmers' yield with additional research and 3D mapping, as well as entering into formidable strategic partnerships that will grow the impact of their work. The company also announced the launch of the Farmcrowdy Group, which will support the startup's mandate of building agri-tech solutions that enable the achievement of food security in Africa. In an attempt to manage Farmcrowdy farmers' and farm operations better, the startup has also launched the Farmcrowdy TFS App, available to its Technical Field Specialists, that will aid in better profiling farmers, managing inventory, as well as data collection and analysis from existing farmers. For more information, read: <https://bit.ly/2FC1vPR>.

CAS Analysis: Farmcrowdy is an excellent example of digital technology applied to address the challenges of the farmers in Nigeria. I have written much about this business model in my newsletters. Here we see an extension of the value proposition, tapping into more recent and more advanced technology in order to improve the productivity of the Nigerian (and eventually African) farming community. I have also written about another such a company in Kenya, i.e. Wanda Agriculture Limited. Wanda Agriculture offers market-based solutions to poverty. It designs, builds and operates value chain opportunities through its own subsidiaries and strategic partners where needed. Leveraging technology, Wanda Mobile organizes and supplements existing supply chains to improve effectiveness and efficiencies to enable smallholder farmers to access the financing, information, products and services they need to maximize their productivity.

- **Nigeria:** To solve a fuel-import crisis in Nigeria, Aliko Dangote faces competition from a number of small challengers. He is building a 650,000 barrel-a-day refinery in Nigeria that will help cut Nigeria's US\$7 billion annual fuel-import bill. The government is also giving licenses to mini refineries, some with capacity of as little as 1,000 barrels a day.

Decrepit state refineries operate far below their capacity, forcing Nigeria to import 90% of its oil products even as it exports large volumes of crude. Of 40 modular refineries registered, 10 are in advanced stages of development and could be producing fuel as early as 2020. The advantage of modular refineries is they can often be put together 12 months faster than a conventional one. In many locations in Nigeria, modular construction is especially favourable, due to local resource limitations. The four state-owned refineries are poorly maintained and contribute less than 10% of the output they're designed for. Dangote's refinery is scheduled to begin operations in 2020 and will be located near Lagos. If all the projects are completed and Nigeria's existing refineries get the investment they need to raise utilization,

Nigeria could be exporting 300,000 barrels a day of fuels next year. For more information, read: <https://bit.ly/2Ws5gxV>.

CAS Analysis: Dangote's private refinery will go a long way to address the challenges the oil industry in Nigeria faces. Up till now, the 4 government refineries produced less than 10% of their capacity. There were numerous calls for the privatisation of these government refineries, but the government steadfastly refused. The decision to revamp these 4 refineries was announced earlier this week. The first refinery to be overhauled will be the Port Harcourt refinery. According to the Nigerian Oil minister, the upgrading of the oil refineries would end the reliance on imports by the end of this year. The eventual total refinery capacity will enable Nigeria to export significant amounts of fuel and petroleum products. The benefits of this are huge, from employment opportunities, to import substitution and export revenues.

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