Food security has remained at the top of policy-makers’ agendas following the 2007-08 global food crisis. With a rising world population and changes in consumption trends, private sector investment can bridge the gap between food demand and supply. For a second year, the EBRD successfully leveraged its relationships with the private and the public sectors to improve the business environment for agribusinesses in all stages of the food value chain.
Contents

Introduction – responding to a global challenge ................................................................................................. 4
The Initiative – leveraging private sector links and policy strength ................................................................. 5
Evolution of the Private Sector for Food Security Initiative ........................................................................... 6
Second year activities and achievements ........................................................................................................ 8
  Responding to price volatility through improved access to finance .......................................................... 8
  Improving policy transparency through public-private platforms .......................................................... 9
  Linking exporters and importers to enhance global supply and demand chains .................................. 9
  Linking water and food production for resource efficiency and sustainability ................................ 10
  Improving IFI coordination ....................................................................................................................... 10
  Capacity building for agribusinesses .......................................................................................................... 11
A collaborative approach .................................................................................................................................. 12
Sharing information and best practices – from EastAgri to MedAgri .......................................................... 12
Growing the profile and reach of the Initiative .............................................................................................. 13
Donor funding .................................................................................................................................................. 13
Areas of focus for 2014 ..................................................................................................................................... 14
Private Sector for Food Security Initiative

Introduction – responding to a global challenge

Global food demand will continue to rise, as the world population is projected to increase by one-third, to 9.3 billion, by 2050. By then, food supply is expected to increase by at least 60 per cent, with a shift to more animal proteins. Only the private sector can bridge this gap. This report outlines how the EBRD’s Private Sector for Food Security Initiative is contributing, with investments and policy action, to this pressing global priority.

Food security has remained at the top of policy-makers’ agendas since the 2007-08 global food crisis, which sent a warning signal to global market players that significant investments in agriculture are needed to guarantee food security at the global level.

The Food and Agriculture Organization of the United Nations (FAO) estimates that, to meet the challenge of feeding the world’s population, new investments equivalent to around US$ 83 billion (€60 billion) per year will be needed (FAO, 2010). For the private sector to deliver this investment, a conducive business climate is most needed in those EBRD countries of operations which have the highest agricultural potential.

World markets have become more dependent on food supplies from the Black Sea region. The OECD-FAO Agricultural Outlook 2013-2022 predicts a further shift of exports away from Organisation for Economic Co-operation and Development (OECD) countries, to Kazakhstan, Russia and Ukraine. These countries have a strong comparative and competitive advantage, and strong export positions, for some agricultural commodities, especially grains. The region could potentially supply more than half of the global grain export, thereby contributing to global food security. This will be particularly important in meeting the needs of net importing countries in the southern and eastern Mediterranean (SEMED) region, where the EBRD operates.

There have already been some positive developments. Due to a combination of favourable weather conditions, more predictable agriculture and trade policies and increased investment in the sector, the grain harvest for the 2013-14 marketing year has been extremely encouraging. In particular, Ukraine – a country that was barely self-sufficient in grain around five years ago – is increasing pressure on the livestock sector to meet the growing demand for high-value animal protein, at the expense of staple food. The livestock sector is growing at an unprecedented rate. The driving force behind this surge is a combination of population growth, rising incomes and urbanisation. The EBRD’s countries of operations from central Europe to Central Asia have the potential to double their current production of animal proteins, and to therefore increase their contribution to the global supply of proteins.

The World Bank Group estimated, in 2012, that the rapid expansion of the agricultural sector, driven by strong agribusiness companies with profitable value chains, will result in increased product procurement from small and medium-sized enterprises (SMEs). The EBRD has historically provided assistance to the local suppliers, retailers and distributors of its clients in order to stimulate increased agricultural production and to connect large and small agribusinesses.

In the coming year, the EBRD aims to focus more on the specific financing needs of SMEs, which can be important catalysts of growth. Recent innovative financing approaches for SMEs in agribusiness, coupled with opportunities for policy dialogue, have the potential to facilitate transition. The Agribusiness team will also place a stronger emphasis on smaller countries across the EBRD region of operations. The Agribusiness team will also pay particular attention to the production of better quality food, with the aim of improving food safety standards and food quality. This is likely to present new opportunities for connecting the EBRD’s countries of operations with the high-value market in the European Union (EU), to improve transparency and to ensure accountability and traceability along the food value chain.
The Initiative – leveraging private sector links and policy strength

The Private Sector for Food Security Initiative was launched in November 2011 and is co-led by the EBRD’s Agribusiness Department and the Office of the Chief Economist. It gives voice to private sector needs and facilitates the private sector’s full contribution in the process of setting priorities for global food security.

The Private Sector for Food Security Initiative is complementary to the Agribusiness portfolio, and focuses on setting the right incentives by supporting transparent, predictable and coordinated public policies, and by creating the right environment for public sector growth (see box, page 7).

With a portfolio of over €3.4 billion invested in the agribusiness sector, and an extensive network of international and local private sector clients, the EBRD is experienced in addressing the financial challenges that result from the particular risk profiles of investments along the food value chain. In 2012 the EBRD committed €874 million to 62 agribusiness projects across 24 countries. One-third of these projects were undertaken in early transition countries (ETCs). Most notably, one-third of the Bank’s projects in the SEMED region in 2012 were in the agribusiness sector.

The EBRD has over €3.4 billion invested in agribusiness.

The Private Sector for Food Security Initiative was predicated on the special role the EBRD can play in food security through two main channels. First, the Bank has strong links with private sector producer companies through its investments and related technical cooperation (TC). Second, the EBRD also has a strong track record with governments in policy dialogue and advice. These two channels lend the EBRD significant credibility at the policy-making table, including among the international financial institutions (IFIs).

In addition, a third channel has emerged following the EBRD’s commencement of operations in the SEMED region in 2012. The Bank can act as a catalyst between its earlier region of operations, which is home to some of the world’s key grain exporters (in particular, Kazakhstan, Russia and Ukraine), and the newer SEMED region of the Bank’s operations, where some of the world’s main net grain importing countries are found.

The Initiative was launched as an outcome of a broad consultation with the Bank’s agribusiness clients. The specific objectives of the Initiative were defined as:

- addressing bottlenecks along the entire food chain through a menu of direct financing, TC, risk management tools and policy dialogue
- matching food exporting and food importing countries
- engaging in policy dialogue that focuses on strengthening supply responses through enhanced policy advice, chiefly via public-private sector platforms
- improving IFI coordination and leveraging the EBRD’s unique position as a trusted partner of both the private sector and governments.
March 2008: The high-level Food Security Conference – held in London and co-chaired by the President of the EBRD and the Director-General of FAO – focused on assessing the EBRD region’s agricultural potential and needs. The private sector’s strong participation demonstrated the sector’s strong commitment in the region, while the conference revealed the overall need to increase public-private consultations in order to improve the regulatory environment and therefore to unlock investments. The conference highlighted the potential for the EBRD region to double its grain production and to become a major regional supplier of food globally. Private companies asked the Bank to focus on improving predictability in the business environment and agricultural policy in Ukraine, in order to facilitate grain trade in the region at a time of supply contraction and high price volatility.

January 2011: The Bank organised a conference in Kiev, co-chaired by Ukraine’s Minister of Agriculture and the EBRD’s Agribusiness Department. Participation was remarkably strong, with approximately 90 local and foreign private companies and IFIs. The conference resulted in the establishment of a public-private working group – the Ukraine Grain Working Group – which, in partnership with other market players, was subsequently instrumental in the removal of Ukraine’s trade restrictions on grain. The Ukraine Grain Working Group has also helped to improve relations between Ukraine’s public and private sectors, which has resulted in a number of positive measures supporting greater investment in agriculture.

May 2011: Under the French presidency of the G20, the EBRD was asked to participate in the G20 Agriculture Deputies Meeting in Paris, in particular in the G20 Development Working Group, and in the G20 high-level public-private workshop in June 2011. With the aim of giving voice to private sector needs in key decision-making processes in the agribusiness sector, the EBRD progressively increased its global role and visibility. The Bank started co-chairing (jointly with the Asian Development Bank) the Multilateral Development Banks Working Group (MDB WG) on Food and Water Security, which is a platform that also contributes to G20 discussions.

November 2011: The Executive Committee of the EBRD approved the launch of the Private Sector for Food Security Initiative, which is led by the EBRD’s Agribusiness Department and the Office of the Chief Economist, and implemented jointly with the Legal Transition Team.
The Initiative was designed around the following main priorities:

1. Responding to price volatility through improved access to finance.
2. Improving policy transparency through public-private platforms.
3. Linking exporters and importers to enhance global supply and demand chains.
4. Linking water and food production for resource efficiency and sustainability.
5. Improving IFI coordination.
6. Capacity building for agribusinesses in SEMED and ETCs.
Second year activities and achievements

After the EBRD’s record-breaking investments in agribusiness in 2009-10, and notwithstanding the latent effects of the 2008-09 global financial crisis throughout 2011-12, the Bank’s investments in the sector have remained high in 2012-13.

Between January 2012 and December 2013 the EBRD committed €1.75 billion to 116 agribusiness projects. Total commitments in the sector, including commercial co-financing, were €2.2 billion in the same period.

These investments – and private sector investment in agriculture generally – have been aided by a more favourable business environment in the region, which has been fostered through the Private Sector for Food Security Initiative. The Bank has leveraged its position to lead or coordinate policy advice and policy dialogue in several selected countries of operations that play a global role in agribusiness.

Progress made under the main priorities of the Initiative is described below.

**Responding to price volatility through improved access to finance**

Access to finance is one of the key constraints faced by farmers engaged in primary agriculture, which leads to under-investment in the sector. A lack of access to finance is often caused by insufficient collateral. The EBRD has supported collateralisation options for pre- and post-harvest financing in the form of grain warehouse receipts (GWR) and crop receipts (CPR) to facilitate more financing in primary agriculture. The Bank has also worked with farm machinery manufacturing companies to introduce agricultural equipment leasing schemes. These instruments have encouraged both foreign-owned and local banks to extend financing to food production companies, including to SMEs. Achievements on the legal reform side include GWR/CPR laws drafted in Russia, Serbia and Ukraine. The GWR law approved in Serbia allows grain producers and traders to use their grain as security for loans after harvest. This, in turn, improves the prospects for private sector investments in primary agriculture, providing farmers with

Continued policy dialogue in the Ukrainian grain sector enjoys widespread multilateral support

Established in the context of the EBRD Initiative for Joint Action to support the development of the grain sector in Ukraine, the Ukraine Grain Working Group, which was co-led by the EBRD and FAO, has become a vital mechanism for public-private policy dialogue in the sector. The Working Group is now functioning under the leadership of the Ukrainian Grain Association, which ensures the continuation and financial sustainability of sector dialogue. At the Fourth Ukrainian Grain Congress, held in Kiev on 23 October 2013, participants voiced their appreciation of FAO’s and the EBRD’s work, expressed widespread multilateral support for continued policy dialogue, and reiterated their willingness to invest in the sector. Continued investments in agriculture are crucial for a country which has the potential to produce around 80 million tonnes of grain every year, and to become a leading global food supplier. In 2012 FAO estimated that approximately US$ 8.5 billion (€6.3 billion) of investment would be needed for hard infrastructure just to transport Ukrainian grain (excluding transit from Kazakhstan and Russia). IFIs and the private sector urged the Ukrainian government to prioritise this investment. Since the inception of the Initiative for Joint Action in 2011, the EBRD has provided loans of more than US$ 400 million (€295 million) to companies operating in the grain sector in Ukraine, while more than US$ 800 million (€590 million) of private investments have been additionally mobilised in the sector.
better opportunities for financing their businesses. The EBRD has also worked with a number of banks to implement agriculture and agribusiness credit lines.

**Improving policy transparency through public-private platforms**

Public-private platforms aim to increase the effectiveness of business processes in the EBRD’s countries of operations, giving voice to private sector needs while advancing standards for public governance in the region. Over the past two years the EBRD’s support for public-private dialogue in Ukraine – the world’s fifth-largest grain exporter – has proven critical in building trust and facilitating cooperation between the private sector and the government (see box, page 8). Thanks to the Ukraine Grain Working Group, policy transparency and predictability have improved, thus increasing investor confidence. A tangible result has been the discontinuation of damaging export restrictions, which has, in turn, helped reduce volatility and corruption in the business environment. More predictable exports have also helped stimulate global trade, thus benefiting importing countries. Indicating the success of the Ukraine Grain Working Group, in May 2013 Ukraine’s dairy industry representatives and the government requested that the EBRD lead the establishment of a similar working group for the dairy sector in the country. Public-private platforms are planned to start in Egypt, following on from the workshop, Private Sector for Food Security: Improving the Investment Climate in Egypt’s Agribusiness Sector, held in Cairo in June 2013 (see box, right). Similar public-private platform initiating meetings are planned in Georgia and Serbia in 2014.

**Linking exporters and importers to enhance global supply and demand chains**

The first high-level inter-regional Food Security Conference took place in Istanbul, in September 2012, bringing together around 100 leading regional and global agribusiness companies. The Conference demonstrated that connecting exporters and importers within the EBRD region should become a priority for the Bank. The Istanbul conference also resulted in a commitment by three countries – Russia, Turkey and Ukraine – to improve pre-harvest financing instruments. Initial efforts by these countries have already facilitated local SMEs’ access to credit. Building on this success, the Egyptian Minister of Agriculture requested that the EBRD organise a Private Sector for Food Security workshop in Egypt, bringing together exporters from Russia, Turkey and Ukraine, and key importers from the SEMED region. The EBRD-FAO led analysis of key value chains in SEMED is supporting this policy dialogue (see box, page 10).

**Egypt public-private dialogue on food security**

In June 2013 the EBRD and FAO held a workshop in Cairo – Private Sector for Food Security: Improving the Investment Climate in Egypt’s Agribusiness Sector. The workshop was a success, with 50 companies and representatives from three ministries engaging in constructive dialogue. Global agribusiness companies and EBRD clients shared international experiences and practices. Members of the Ukraine Grain Working Group led a panel on grain imports and exports, and recommended means of improving Egypt’s grain chain efficiency, through a combination of public-private policy dialogue and investments in order to expand trade possibilities between Egypt and Ukraine. This connecting process illustrates how successful policy dialogue in one region can be replicated in SEMED countries to facilitate policy reform.

Workshop participants recognised the importance of building trust between the public and private sectors, and of progressively reducing the government’s heavy involvement in production and trade – including through subsidies – which creates uncertainty for investors. A tripartite Letter of Intent by the EBRD, FAO and Egypt’s Minister of Agriculture formalised the parties’ joint commitment to identify areas for improvement in the agricultural sector. The EBRD is currently reviewing Egypt’s grain import value chain, which will be instrumental in addressing food security challenges in light of the country’s reliance on grain imports.
**Linking water and food production for resource efficiency and sustainability**

In 2013 the EBRD started to implement the two-year joint work programme with FAO – Water along the Food Chain – which was approved in 2012. The programme’s objective is to identify the role that the private sector can play in investing in water-efficient technologies. Activities are currently focused on water usage along food chains in four pilot countries: Jordan, Kyrgyz Republic, Turkey and Ukraine.

Many countries and businesses have recognised that greening economic growth by encouraging the sustainable use of scarce resources can be positive in many ways, as well as profitable in the long term. In 2013 the EBRD and FAO delivered a focused policy note – Towards a greener agri-food sector – demonstrating opportunities for increasing productivity and maintaining business profitability, while limiting the environmental impact of the necessary growth in the agri-food sector.

**The successful delivery of the MDBs Action Plan 2011-2013 was acknowledged in the Saint Petersburg Accountability Report of the G20.**

**Improving IFI coordination**

The EBRD co-chaired, with the Asian Development Bank, the MDB WG on Food and Water Security, to advise the G20 process under several presidencies. The MDB WG’s Food and Water Security Action Plan 2011-2013 has been implemented. Its completion is reflected in the Saint Petersburg Accountability Report on the G20 Development Commitments. The EBRD has continued to represent the private sector perspective on global food security challenges at various policy workshops. For example, the Bank has shared its knowledge with various think tanks; most recently, it participated,

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**Analysis of SEMED key food chains in support of policy dialogue and investments**

In order to boost the role of the private sector in the region’s food security, and to position its future agribusiness investments, the EBRD, together with FAO, conducted a series of food chain analyses in the four SEMED countries – Egypt, Jordan, Morocco and Tunisia. These studies were carried out in close collaboration with local authorities and private sector stakeholders. They form a good basis to initiate multi-stakeholder policy discussions on food chain development and to improve the investment environment.

In 2013 FAO conducted an in-depth review of the olive oil sector in both Morocco and Tunisia. The year also saw the completion of the EBRD-FAO Moroccan oilseeds sector review, which assesses production and processing efficiency in the country. The oilseeds report also highlights the economic benefits of oilseeds in crop rotation, analyses the expected strong demand for vegetable oil and oilseed meal, and proposes options for addressing Morocco’s agricultural support policies. Similarly, the olive oil sector study benchmarks the efficiency of Morocco’s olive and olive oil production in the global context, and discusses policy options to support improvements in production quality. Olive oil is a central element of the Plan Maroc Vert (Green Morocco Plan), and the government has set ambitious production and export targets for the sector that should be realised by 2020.
Agribusiness technical cooperation programme

The Private Sector for Food Security Initiative remains at the centre of the Agribusiness TC portfolio. Four additional streams of TC projects support agribusiness investments:

1. **Agribusiness Resource Efficiency**: implemented by the Energy Efficiency and Climate Change team (E2C2), which is linked to the Sustainable Resources Initiative and the Private Sector for Food Security Initiative (through water efficiency activities).

2. **Quality Standards and Animal Welfare**: implemented by the Office of the Chief Economist (OCE) and the Environment and Sustainability Department (ESD).

3. **Capacity Building for Agribusinesses**: implemented in cooperation with the Small Business Support team (SBS).

4. **Retail**: implemented by the Manufacturing and Services team within the Industry, Commerce, and Agribusiness Department.

Alongside leading global private sector companies, in the Food Security Strategy Group of the Aspen Institute.

**Capacity building for agribusinesses**

Under the umbrella of the Private Sector for Food Security Initiative, in 2013 the Agribusiness and Small Business Support teams launched a TC programme in the ETCs, which was modelled on the SEMED programme and funded by the EBRD's ETC Fund (see box, below). The SEMED programme, launched in 2012, has been funded by the EU's Neighbourhood Investment Facility (EU NIF) and the SEMED multi-donor account (MDA). Projects under the SEMED programme have commenced in all SEMED countries. These have been pivotal in leveraging further agribusiness investments in the sector.

Meanwhile, the Private Sector for Food Security Initiative has focused more on capacity building and sector improvements across the EBRD countries of operations, while the Agribusiness TC portfolio has expanded (see box, above).

**Building the capacity of small businesses in early transition countries**

Agribusiness plays a vital role in the ETC economies, and yet the sector is burdened with low productivity, ineffective business practices and outdated technology. These issues are most acute in small enterprises, which struggle to adopt industry best practices in a timely manner. The newly launched TC programme in ETC countries targets these small agribusiness enterprises. It enables agribusiness companies to improve their financial skills and upgrade their methods of operation. As a result, it increases their opportunities to access the financing they need to modernise and expand their businesses.

“The TC programme enables agribusiness companies to improve their business skills.”
The EBRD and FAO signed a Memorandum of Understanding in 1994, which allows both institutions to co-finance and leverage the other’s expertise and comparative advantage. This enables each institution to engage in targeted policy dialogue and technical assistance, address institutional and regulatory bottlenecks, and improve transparency and efficiency along the entire food value-chain in the countries where the EBRD operates.

The collaboration between the EBRD and FAO builds on the EBRD’s connections with private agribusiness companies and FAO’s leverage with governments. The joint efforts of the two organisations under the Private Sector for Food Security Initiative helped establish prominent public-private policy platforms on key food chains. FAO provides invaluable technical expertise to identify investment bottlenecks and opportunities in sectors of interest to the EBRD, and helps public and private sector representatives to agree on viable policy options. The main policy issue tackled in SEMED countries under the Initiative in 2013 was Morocco’s proposed support measures for the oilseeds sector (see page 10). The olive oil sectors in Morocco and Tunisia were among the sectors that have been reviewed in 2013. Sector reviews, such as these, aim to facilitate further public-private dialogue in the sector.

The EBRD-FAO collaboration also promotes the complementarity of IFIs’ approaches to food security, and reduces the duplication of activities. Flows of information on good agricultural investment practices are improved through the EastAgri and MedAgri networks (see box, below).

The Initiative is aligned with FAO’s strategic objective, More Inclusive and Efficient Agricultural and Food Systems (SO4), and with the EBRD’s Agribusiness Sector Strategy. The combined effort of the two institutions enhances policy transparency at the national level, and facilitates cooperation with other IFIs.

**Sharing information and best practices – from EastAgri to MedAgri**

The EBRD was one of the founding members of EastAgri, along with FAO, the World Bank and the Central European Initiative (CEI). Created in 2002, EastAgri is a platform for sharing information and best practices between the public sector and private institutions supporting agriculture and agribusiness in central and eastern Europe, Central Asia and the Caucasus.

With users from over 150 countries, steadily increasing visitors and a 300-strong mailing list of sector professionals, the EastAgri network has been praised by EBRD clients. Annual meetings and thematic workshops complement the online database, www.eastagri.org, in connecting international financial institutions, private banks, international organisations and bilateral donors.

The success of the EastAgri network inspired the creation of MedAgri, which extends the EastAgri platform to the SEMED countries. The EBRD and FAO officially launched the MedAgri network at the high-level Private Sector for Food Security Forum in Egypt in June 2013.

This new regional network connects public authorities, private investors, international financial institutions and civil society in the SEMED region, highlighting opportunities in agribusiness. FAO presented the www.medagri.org portal in Egypt in 2013, and the platform will be presented in other SEMED countries, with the aim of reaching a wider audience. As a part of the TC framework, Food security in the SEMED region, MedAgri has secured funding for two years.
Growing the profile and reach of the Initiative

In the EBRD’s region of operations
The Private Sector for Food Security Initiative was presented at seminars and workshops held in various countries in the EBRD region; for example, at the EBRD-FAO Private Sector for Food Security workshops in Egypt during June 2013, and in Serbia during consultations between the agribusiness industry and the government during November 2013.

Internationally
The Initiative was presented at the Aspen Institute’s Food Security Strategy Group meeting in Morocco in May 2013, where leading agribusiness companies and policy-makers in the sector exchanged views on global food security needs, with the aim of defining strategic global actions required to meet those needs. The Initiative was also presented in Brussels during meetings with the European Commission on agriculture and food security.

On the web
The Bank has developed web pages dedicated to the Private Sector for Food Security Initiative on its external web site in order to enhance the visibility of the Initiative with external audiences, including public and private sector stakeholders. The web site showcases the EBRD’s and FAO’s activities related to the Initiative, features case studies and lessons learned, and brings together detailed research and analytical data on food security issues. This web site is complementary to the MedAgri (www.medagri.org) and EastAgri (www.eastagri.org) platforms.

Donor funding
The donor community has been a key supporter of the Private Sector for Food Security Initiative since its establishment. Since 2011 the Initiative has received a total of €9.4 million in funding, of which €8.1 million has been committed. Approximately €4.2 million has been provided to the Initiative’s policy dialogue activities, while €3.6 million has been provided in support of the Capacity Building for Agribusinesses programme under the Initiative. Major contributors include the EBRD’s Shareholder Special Fund (SSF), the EU Neighbourhood Investment Facility (EU NIF), the SEMED multi-donor account (MDA), the Early Transition Countries (ETC) Fund, Luxembourg and the Central European Initiative (CEI).
Areas of focus for 2014

In 2014 the Private Sector Food Security Initiative will remain targeted around the main priorities of the initiative, in particular:

**Responding to price volatility through improved access to finance**
On the legal reform side, the EBRD will continue to support the approval process of a grain warehouse receipts (GWR) law in Russia, the development and promotion of GWR and crop receipts financial instruments and an indemnity fund in Ukraine, and awareness raising for a GWR system in Croatia.

While leasing is the most prevalent type of agricultural land ownership in the EBRD’s countries of operations, land-based lending across the region is limited, which results in under-investment, especially in farming operations. The Bank will launch a pilot study to review the agricultural land leasing market in targeted countries, with the eventual aim of increasing local bank lending based on land leases as collateral.

**Improving policy transparency through public-private platforms**
In Serbia the Bank will initiate a public-private policy dialogue, following requests from the industry and the Serbian government. The dialogue will focus on two subsectors: grain, and meat and dairy. A new policy dialogue is also being launched in Georgia, which will focus on food safety and SMEs’ access to finance. In Russia the Bank is planning to initiate policy dialogue in the grain and dairy sectors, with the aim of replicating the success achieved in Croatia.

**Linking exporters and importers to enhance global supply and demand chains**
In Egypt a public-private partnership will be launched, following the recommendations of the workshop, Private Sector for Food Security: Improving the Investment Climate in Egypt’s Agribusiness Sector, held in Cairo in June 2013. This new public-private platform will focus on grain import inefficiencies, and on improving trade logistics through private sector investment. Following the studies of selected value chains in Morocco and Tunisia (including the olive oil sector), the EBRD will engage in further policy dialogue in the SEMED region, paving the way for future investment there. In Turkey, following the first high-level, inter-regional Food Security Conference, held in Istanbul in September 2012, the Bank will continue to engage with public and private stakeholders to identify key bottlenecks and to improve the business environment, including for SMEs. Given the increased importance of soybean as an alternative source of protein in the Bank’s countries of operations, the EBRD will launch a regional sector study to assess current soybean production, processing and distribution capacity in the region. The study will evaluate import substitution and export potential in this context.

The Bank will continue to engage with public and private stakeholders to identify key bottlenecks and to improve the business environment, including for SMEs.

**The Bank will continue to engage with public and private stakeholders to identify key bottlenecks and to improve the business environment, including for SMEs.**

**Improving IFI coordination**
The EBRD will continue to co-chair the MDB WG on Food and Water Security, and to participate in the Aspen Institute’s Food Security Strategy Group, alongside leading private sector companies. The 2014 EastAgri Annual Meeting in Serbia, and the involvement of more stakeholders in the MedAgri network, will help to further improve cooperation, coordination and information-sharing among IFIs.

**Capacity building for agribusinesses**
Agribusiness companies need professional training, including the transfer and application of international best practice. This is instrumental in modernising and expanding their businesses, and in improving their access to finance. In Croatia there is scope for the EBRD to review currently available risk-sharing financial instruments (such as guarantee funds and first loss guarantees), and to work with local banks to address constraints on SMEs’ access to finance. In Georgia the Bank will organise targeted dairy training, aimed at sharing knowledge and good practices for new farming and management technologies, in order to help producers increase the quality of milk resources. The Bank will continue to support agribusinesses in the SEMED region, through its capacity building programme in SEMED and ETCs. These activities will commence in Georgia and Azerbaijan, while the Bank explores the possibility of expanding the programme to Russia.
EBRD to focus on SME financing, smaller countries and food quality

In the coming year, the Agribusiness team will aim to:

- implement more projects and related policy dialogue activities to address the specific financing needs of SMEs;
- place a stronger emphasis on smaller countries across the EBRD region of operations;
- focus more on improving food quality and food safety standards for the production of better quality food.
Through investments, technical cooperation and policy dialogue, the Private Sector for Food Security Initiative enables the private sector to fully contribute to food security in the EBRD’s countries of operations, with positive global spillovers. The main priorities of the Initiative are to facilitate access to finance, improved policy transparency, links between food exporters and importers, the efficient use of resources, IFI coordination, and capacity building for agribusinesses.