Agricultural Investment in the East African Community

Harnessing the development potential of foreign investment responsibly and sustainably

Prepared by

Julian Mukiibi, on behalf of
CUTS International, Geneva
geneva@cuts.org

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List of abbreviations

BIT	Bilateral Investment Treaty
COMESA	Common Market for Eastern and Southern Africa
CSO	Civil Society Organization
EAC	East African Community
ETG	Export Trading Group
EU	European Union
FAO	Food and Agriculture Organization
FDI	Foreign Direct Investment
FMO	Dutch Entrepreneurial Development Bank
GDP	Gross Domestic Product
IAWG	Inter Agency Working Group
IFAD	International Fund for Agricultural Development
ISDS	Investor-State Dispute Settlement
OECD	Organization for Economic Cooperation and Development
PFI	Policy Framework for Investment
PRAI	Principles of Responsible Agriculture Investment
RDB	Rwanda Development Board
RWF	Rwandan Franc
SME(s)	Small and Medium Enterprise(s)
UGX	Ugandan Shilling
UNCTAD	United Nations Conference on Trade and Development
USD	United States Dollar

Background

Agriculture is an integral part of the East African Community (EAC) member countries' economies – approximately 80% of the region's population depends on the sector for a living.[1] Unsurprisingly, the success of the overall economy, and thus the social and economic wellbeing of the population, largely depends on the success of the agricultural sector. One increasingly popular strategy for boosting agricultural productivity is through foreign direct investment. Presently, Africa is experiencing an investment gap between the needed investments in the agriculture sector, and the amount that the governments are able to invest in it. To bridge that gap, EAC governments should strategically seek out foreign sources of investment for their agricultural sectors, particularly in the Small and Medium Enterprises (SMEs) that make up a critical part of the EAC's economic landscape.

Presently, the international investment climate (especially in the agricultural context) is thriving. Many wealthy nations and private enterprises are looking to acquire land in developing countries to lead large-scale agricultural projects. This demand is being driven primarily by three factors; increasing food security concerns in wealthy nations, competition between food and non-food crops for land, and increasing rates of return on agricultural commodities due to rising food prices.[2] Despite this, investment in the agricultural sectors of the EAC makes up only 5% of the foreign direct investment (FDI) these countries receive.[3] The EAC has the potential to meet much of this demand given its vast amount of arable land and natural resource supply. Moreover, foreign investment has the potential to expedite the development of the EAC's agricultural sectors through improvements in infrastructure and increased capital flow. Investment can create jobs, develop social services, facilitate technological transfers, and offer greater access to capital and markets.[4] The potential exists for investment in the agricultural sector to be a symbiotic development strategy for the EAC and foreign investors, particularly when channeled through SMEs in a responsible and sustainable manner.

However, this is not to say that foreign investment is a risk-free panacea. Large-scale agricultural investment in particular carries with it many risks. There have been many cases of land, labor, and resource exploitation, as well as lasting environmental degradation caused by large-scale investment projects. Investment projects often make it difficult for local populations to access the land and water resources they have previously had access to.[5] In order to take full advantage of the benefits of foreign investment, it is important that certain steps are taken to mitigate its potential negative side effects.

FAO describes three considerations that are key to encouraging sustainable and effective investment – the type of business model employed by the investor; the extent and depth of linkages formed between the investor and the local community; and the existing investment

[1] http://www.cuts-geneva.org/pdf/BIEAC-BP09-Leveraging_the_Agriculture_Sector_Through_Trade.pdf

[2] *"Land grab or development opportunity? Agricultural investment and international land deals in Africa"* http://www.fao.org/3/a-ak241e.pdf

[3] "Impacts of Foreign Agricultural Investment on Developing Countries: Evidence from Case Studies" http://www.fao.org/3/a-i3900e.pdf

[4] *" The Practices of Responsible Investment Principles in Larger-Scale Agricultural Investments: Implications for Corporate Performance and Impact on Local Communities"* http://unctad.org/en/PublicationsLibrary/wb_unctad_2014_en.pdf

[5] *Ibid.*

framework in the host country.[6] This note will outline the existing investment frameworks in three regions– the EAC, the European Union (EU), and Switzerland – to analyze the potential nexuses that exist between the three investment policies, and the investment opportunities that exist therein.

In order to optimally harness the benefits of investment, the EAC needs to institute a regulatory framework that ensures the sustainability of the investments, as well as the responsibility of the investors. In doing so, the *Principles for Responsible Agriculture Investment*[7], a guideline established by the Inter-Agency Working Group (consisting of the FAO, UNCTAD, World Bank, and IFAD later referred to as IAWG) to encourage both investors and governments to adopt sustainable investment practices offer guidance. While these principles have no legal bearing by themselves, the EAC could adopt legislation based on them.

The IAWG has also devised a series of best practices, which should guide investors and governments in implementing these principles through policy and legislation.

A table of potential investors in the agriculture sector is annexed herewith. The table includes government and private investors based in Europe that have either invested in emerging markets in the past, or show interest in doing so now – specifically in sustainable agriculture endeavors.

Principles of Responsible Agriculture Investment: Guidelines for a more Sustainable Policy Framework and Practices

In light of the controversy over land grabs and other resource exploitation by investors, the IAWG has devised a list of seven *Principles for Responsible Agriculture Investment* for investors and host governments to follow. As large-scale investment, particularly in the agriculture sector, is prone to exploitative practices, these principles should serve as a guideline for investors and host governments to maximize the benefits and minimize the risks to the community into which investment is flowing. The principles aim not only to protect the community, but also the investors.

A. Definitions of the different principles of responsible agricultural investment and possible implementation by host governments

There are important factors to take into consideration with these guidelines. The first is that they are not written in stone, and can and should, be adjusted to reflect the context in which they will be applied. The second is that in order for these principles to be effective in their

[6] "Impacts of Foreign Agricultural Investment on Developing Countries: Evidence from Case Studies" – FAO http://www.fao.org/3/a-i3900e.pdf

[7] http://unctad.org/en/docs/ciicrp3_en.pdf

application, there needs to be sufficient regulatory framework in place to oversee and enforce them. As demonstrated by many of the case studies in the reports issued by the IAWG, foreign enterprises are unlikely to follow these principles if they are offered as mere recommendations for which they would not be held accountable if they ignore.

Along with these principles, the IAWG also outlines some of the steps that host governments should take to ensure that the fulfillment of these principles is easily attainable for all parties involved. These recommendations should serve as a guideline that governments can tailor to their specific needs and concerns.

The application of these guidelines to SME investment is particularly advisable. SMEs contribute over 60% of the GDP, and over 70% of total employment in low-income countries. In developing countries, SMEs have several advantages over larger-scale enterprises: they are more efficient at creating employment and in their use of local resources by using simple and affordable technology, they serve as a training ground for entrepreneurship and managerial development, and they enable motivated individuals to find new avenues for investment and expanding their operations. For governments, well-managed and productive SMEs are a source of employment opportunities and wealth creation. They can contribute to the social stability of a region, and generate tax revenue for the government.

Principle One: Respecting Land and Resource Rights

The first principle addresses one of the most controversial aspects of foreign investment in the EAC's agriculture sector. With accusations of "land-grabbing" – that is, large-scale land acquisition in developing countries by foreign entities[8] – rampant, there is an increasing need to ensure that the rights to land and natural resources by the local population are recognized and respected. When these rights are not recognized and respected, conflict often arises between the local population and the investors. To ensure the greatest benefits for the local community and the investors, cooperation between the two is imperative. Cooperation is much more likely to occur when the local population does not resent the investors for exploiting their lands and resources.

Best practice for host governments:

Ensuring the transparency and accessibility of information pertaining to land and resource ownership

Governments should operate as transparently as possible during land and resource negotiations with prospective investors. They should ensure that all information pertaining to land and resource ownership is accurate and easily accessible so as to minimize the chances of land and/or resource disputes later on during project implementation. Transparency facilitates greater and more effective cooperation between investors and local communities, which is one of the key components of a successful investment project.

Principle Two: Ensuring Food Security

[8] *"Land grab or development opportunity? Agricultural investment and international land deals in Africa"* http://www.fao.org/3/a-ak241e.pdf

With decreasing amounts of arable land available, and an increasing population, the food security crisis remains a pressing concern in Africa and globally. Over exploitation of the land and natural resources would further exacerbate this problem, if allowed to happen. On top of concerns surrounding the unsustainable cultivation techniques often employed by these projects that render the land uncultivable over time, there is also the concern that investors would not leave sufficient amounts of their yield for the domestic market. Foreign control of arable land can only help address the EAC's growing food insecurity problem if sufficient amounts of the investors' yields are accessible to the local population.

Best practice for host governments:

Overseeing consultations between local communities and investors and ensuring that the community is being given an opportunity and appropriate platform through which they can voice their concerns and expectations

There should be some sort of oversight framework in place during the consultations between local communities and investors. Governments should play the role of arbiter and intermediary in these consultation processes to ensure that local communities are having their voices heard and acknowledged. It is important that the linkages formed between investors and the local communities extend beyond connections with just the local elite, and transcend into diverse ethnic and socioeconomic groups.

Principle Three: Ensuring Transparency, Good Governance, and a Proper Enabling Environment

Transparency is integral to mutually beneficial investment. Governments must ensure that the process for allocating land and resources to potential investors is as transparent and clear as possible. Transparency helps foster a more trusting, and consequently effective, investment climate, which can allow for more effective negotiations between investors and host governments. Likewise, it allows for better cooperation between investors and host governments, which encourages the cooperation necessary to solve minor problems before they evolve into much bigger conflicts, such as land and resource disputes.

Best practice for host governments:

Prescreening process for potential investors, assessing the following factors:

- Financial capacity of investor
- Agricultural experience and technical expertise of the investor
- Investor experience and capacity for dealing with local communities

Suitability and viability of the business plan for supporting local and national development goals

Principle Four: Consultation and Participation

One of the critical points that all of the empirical research on the topic of foreign investment in the agriculture sector underscores is the importance of consultation between investors and the local community. Promoting linkages between all the involved parties ultimately benefits everyone by mitigating the potential for conflict over land and resources, as well as other areas of misunderstanding. Consultations should be held at all points of the investment project, from the very beginning through to the very end of the negotiations and/or policy making process

Best practice for host governments:

Improved government monitoring of investors' social and environmental impacts

It is the responsibility of the host governments to have the regulatory framework in place to monitor investors' impacts on society and the environment, and also to have the means to hold them accountable for any infractions. Adequate monitoring of environmental impacts can facilitate the legislation of relevant environmental regulations. These regulations need to be cohesive and clearly stated to encourage maximum levels of investor cooperation, and so as to make it easy for governments to enforce.

Environmental policies should be cognizant of the potential environmental impacts that occur "outside the immediate scope of the investment […] or beyond its lifespan".[9] These are the environmental effects investors are most likely to ignore as they have little incentive to take adequate steps to prevent them.

Principle Five: Responsible Agro-Enterprise Investing

All investment should follow both the international and national legal frameworks relevant to the project. Likewise all projects should be held to the standards they would be held to in their country of origin. In particular, the report mentions that investors should abide by internationally agreed upon occupational and food safety standards. Projects should be economically stable, and produce outcomes that are beneficial for both the investor and the local community.

Best practice for host governments:

Self-assessment on whether or not the government has the human capital & other necessary resources to effectively monitor investments – and if not, should limit the amount of foreign investment to what they can adequately monitor and screen

Governments need to thoroughly consider whether they have the necessary human, capital, and other necessary resources to monitor the activities and impacts of investors, and to enforce these principles. Unchecked investments have the potential to inflict disastrous impacts on local peoples and ecosystems, so it is imperative that there are effective safeguards in place to minimize the possibility for these outcomes.

Principle Six: Social Sustainability

Investment projects should not make any citizen's social, economic, or political status more vulnerable. It is important that any investment project is cognizant of the cultural context in which it is being undertaken, and takes steps to make sure that the distribution of benefits does not bypass vulnerable groups. It is also imperative that no members of the community go uncompensated for any land or resource loss they incur as a result of the investment project.

Best practice for host governments:

Taking responsibility for overseeing consultations with the local community and investors

For consultations between the local community and investors to be fully inclusive, some government oversight is necessary. The government also has a responsibility to make sure that its citizens and their interests are being fairly represented during all consultations. If attracting investment is for the sake of the local community

[9] http://unctad.org/en/docs/ciicrp3_en.pdf

and economy, it is imperative that the concerns of the local community be addressed in full.

Principle Seven: Environmental Sustainability

All environmental impacts caused by a project should be accounted for and recorded. Steps should be taken by the investors themselves to mitigate any potential risks that their project might pose to the environment. Investors should incorporate all sustainable practices relevant to the project into their business model. Likewise, investors should monitor any and all environmental impacts their project inflicts on the local community, and therefore must have the capacity to adequately monitor their impacts.

Best practice for host governments:

Regulatory environment that attracts and encourages foreign investment

In order to attract foreign investment, the EAC has to ensure that its regulatory environment is friendly to investors. In some ways, the EAC has already taken some steps toward this end by liberalizing its economy. However, the EAC could make itself an even more appealing destination for FDI by creating a common investment framework for the entire EAC. Presently, the EAC features high levels of economic and political integration, but maintains differing investment frameworks. The EAC is a more attractive investment destination when packaged as a cohesive unit than it is as a union of five different investment frameworks.

B. Recommended best practices for agricultural investors

Best investment practices should not only be implement by governmental bodies within their legislation and administration, but also by the main actors of agricultural investments: the investors themselves.

- It is sensible to apply the PRAI in the context of SMEs. The SME framework is already in place, which means that investors could take advantage of already existing businesses, facilities, and skilled labor. Below, the best practices investors can adopt to ensure the sustainability are discussed:

Implement procedures for members of the local community to express their grievances – there is no "one-size-fits-all" model for investors to follow, so it should be up to the investors to create this framework, and up to the host government to enforce it

- Many of the people most (negatively) affected by investments had no access to a platform from which they could voice their concerns
- This meant that little problems were never addressed, which allowed those problems to snowball into much bigger, and more difficult to remedy problems
- In one example of a procedure designed to encourage more public participation in the investment process, investors helped to create a Community Liaison Committee, which allowed for the public

to voice their questions and concerns to the investors and local government[10]

Need for training programs so as to best integrate local workforce into investment projects, while simultaneously discouraging the outsourcing of jobs to domestic migrants or expats

One point that was brought up in some of the reports was the investor complaint that there were not enough skilled workers in the local community, forcing them instead to hire domestic migrant workers or expats. To mitigate this, investors should offer training programs that get local laborers up to speed on the skills necessary to do the job. This would offer significant social and economic benefits to the community, and make it a more appealing investment destination in the future.

Greater incorporation of female laborers

It is simply not a sound business strategy to continue to ignore half of the potential labor force. Investors must do a better job not only incorporating female laborers into their projects, but also ensuring that there are no roadblocks preventing them from attaining high-level management positions. This will help to ensure the social and economic sustainability of investment projects, as well as improve the social and economic conditions of the community.

Advertising success stories

It greatly behooves governments to draw attention to successful case studies that show the extent to which responsible investment is mutually beneficial for communities and investors alike. If governments can show that responsible investment is in the long-term interests of investors, they will likely encourage more investors to cooperate. Likewise, if governments can show local communities the potential benefits of foreign investment, they are likely to be more receptive to the idea.

Existing Investment Frameworks – Perspectives from the EAC, EU and Switzerland

In order to take full advantage of the PRAI, it is important to understand the existing investment frameworks of the EAC, EU, and Switzerland. It is important to analyze the EAC's framework to see to what extent it already embraces the PRAI, and where changes can be made to incorporate them to a higher degree.

Familiarity with the existing investment frameworks of the EU and Switzerland allow us to see where the potential exists for cooperation between the three regions. The European and Swiss frameworks should be used to see how sustainable investment fits into those frameworks, and how that can in turn be of use to the EAC.

A. East African Community

According to the third EAC development strategy (2006-2010), investment and Private Sector Promotion aim to:

[10] *" The Practices of Responsible Investment Principles in Larger-Scale Agricultural Investments: Implications for Corporate Performance and Impact on Local Communities"* http://unctad.org/en/PublicationsLibrary/wb_unctad_2014_en.pdf

- "Achieve free movement of people, capital, labor, services and right to establishment and residence;
- Promote a balanced and competitive industrial/manufacturing sector in the region;
- Promote the participation of the citizenry (civil society, women and private sector), and informing them of the EAC affairs; and
- Strengthen relations with other regional and international organizations".

The existing investment framework does not explicitly incorporate any of the Principles for Responsible Agriculture Investment (PRAI), though it is not directly incompatible with them either. The EAC has clearly outlined its objectives through its investment framework, but has failed to emphasize the need for sustainable investment, nor has it imposed any safeguards or mitigation mechanisms to ensure that foreign investment is responsible, and ultimately beneficial to the EAC.

Nonetheless, the EAC has succeeded in presenting an appealing opportunity for investment thanks to various economic reforms. It has also succeeded in opening up investment opportunities in a wide array of sectors. With the adoption of the EAC industrialization Policy and Strategy in 2011, six strategic regional industries in which the region has potential comparative advantage have been identified:

B. Iron-ore and other mineral processing;

C. Fertilizers and agrochemicals;

D. Pharmaceuticals

E. Petro-chemicals and gas processing;

F. Agro-processing; and

G. Energy and Bio-fuels.

At the EAC level, an Investment Code called the EAC Model Investment Code was drafted in 2006. In it, states recognized in the preamble: "that the Partner States need and pursue open, liberal and transparent investment policies that significantly contribute to their economic progress principally through the private sector led development including policies that provide for:

(a) openness to foreign investment;

(b)right to private ownership and establishment;

(c) full protection of property rights;

(d) liberalized foreign exchange markets;

(e) conducive repatriation conditions;

(f) stable, transparent and predictable regulatory framework;

(g)simplification of investment establishment procedures thereby replacing the regulatory role of investment screening and approvals with promotional assistance and facilitation;

(h) national treatment status;

(i) right to national and international impartial arbitration in the event of a dispute with government."

The EAC Model Investment Code of 2006 also provides the principle of national treatment and non-discrimination for foreign investors. According to the Model, "a foreign investor may invest or engage in any business activity in a Partner State which any local investor of the Partner State may undertake". It also states "a foreign investor shall be in no different position than any local investor of the Partner State except as may be otherwise provided by this Code or other relevant law". The Model Investment sets the basis for investors' protection and investment promotion but the code is not a binding legal instrument, which means that States are not obliged to follow those rules. It is more seen as an instrument that can guide members in order to improve their national laws.

The five Partner States have concluded Bilateral Investment Treaties (BITs) with several other countries. These BITs are mostly designed to protect the foreign investors. The BITs provide credible commitments for investors that their assets will not for example be expropriated, discriminated or otherwise maltreated. Their importance to certain investors is indisputable. Indeed the study of Neumayer and Spess concludes that BITs have an impact on investment since they also provide a substitute for poor institutional quality in host countries.

"The message to developing countries therefore is that succumbing to the obligations of BITs does have the desired payoff of higher FDI inflows…BITs fulfill their purpose, and those developing countries that have signed more BITs with major capital exporting developed countries are likely to have received more FDI in return".[11]

On the other hand, BITs are not without controversy. Many countries are seeking to terminate their existing BITs. These countries argue that these far-reaching investment protections that such treaties offer have provided investors with an opportunity to abuse their investment projects without fear of legal repercussions. The controversial dispute settlement procedure (ISDS) allows transnational corporations to directly sue sovereign states. This puts these states in an incredibly vulnerable position, and presents a strong argument against the use of BITs. Ultimately the EAC states should thoroughly weigh the pros and cons of BITs before deciding if they would in fact be a beneficial development tool for their respective countries.

The importance to harmonize Partner States' investment laws and policies in order to attract more investments in the region cannot be dispute, as well driving forward the goals of regional integration and development. However, there could be a divergence of positions among the countries. Indeed, disadvantaged countries such as landlocked and small ones will tend to liberalize their market in order to create a situation of comparative advantage while those who have huge capacities, resources will favor for protection.

The balance that the EAC needs to attain is between fostering an attractive investment climate that is conducive to high levels of foreign investment, and taking the necessary precautions to mitigate the potential negative effects of FDI. In some cases, this may mean that the EAC needs to choose between adopting measures that make the EAC a more attractive investment destination, and measures that safeguard against investment abuse. This includes the adoption of investor screening procedures, imposing a more involved consultation process for large-scale land

[11] Neumayer & Spess, Do bilateral investment treaties increase foreign direct investment to developing countries?, op. cit.,pp. 1582-3.

acquisition, and implementing measures to evaluate investor compliance with the PRAI.

With a more comprehensive common investment framework and a progressive harmonization, there is, in fact, more incentive for European businesses to invest in the region. The EAC is a more appealing investment destination as a cohesive unit than it is as a network of five different countries with different investment frameworks, for many reasons.

First, the EAC has a population of about 145 million inhabitants, a GDP of 97.6 billion USD as of 2012 and a surface area of 1.85 million sq. km. EAC is the second largest single market in Africa, the middle class is growing and the demand for fairly sophisticated products is increasing. Other EAC advantages are its diversified economy offering a variety of business and investment opportunities or even a business-friendly environment. It is actually the world's fastest reforming region. Second, the stable economic and political environment, the tariff harmonization within the EAC, the preferential market access to the U.S, E.U and other developed countries and the relatively large pool of educated and skilled workers are some interesting aspects for investors willing to invest in EAC. Investing in EAC offers better opportunities for a potential investor than investing in a single country.

Although the EAC Model Investment sets the basis for an investment framework at the Community level, each partner state has its own investment policy. All have an investment promotion agency to promote local and foreign investment and all have a legal framework for investment at the national level. To some degree, the EAC partners presently follow some of the best practices in their national investment frameworks. For example, there are provisions that assure transparency and accessibility of information pertaining to land and resources ownership. However, in many ways these frameworks still lack the necessary comprehension and authority to fully protect against potential investment abuses.

The result is that the existing EAC investment frameworks make improvements, but do not incorporate sufficient measures to mitigate any negative impacts that potential investments may have. However, it is important to note that EAC countries are actively working in amending their investment codes, hence there is an opportunity here to address those issues/gaps.

Common investment principles exist in the EAC and have been presented in this paper. However there is a lack of coherence and effective implementation at national level. Therefore, there is a gap to fill and an opportunity to reform regional and national investments based on the PRAI. By codifying these principles, the EAC would be implementing a framework that could better ensure investor cooperation with the PRAI, which would also help the EAC to hold investors accountable for violations of the principles. An overview of the investment frameworks of EAC member countries is provided in the ensuing section.

Burundi

With opportunities in agro-processing business, fertilizers, energy infrastructure, transportation infrastructure and tourism and with attractive incentives provided by the new investment Code, Burundi can represent a valuable opportunity for investors willing to invest in the region.

The legal investment framework for Burundi is the New Investment Code, which was created in 2008 and amended in 2009. All investments are now subject to common law procedures, guarantee conditions and advantages of the general scheme. However, it provides more protection for foreign investors, in particular regarding expropriation, the transfer of capital, and access to international arbitration.

The investment policy of Burundi includes tax incentives which apply uniformly to domestic and foreign firms, no general limits on foreign ownership or control of enterprises, no restriction on business sectors open to foreign investments (except for arms and military), no screening procedures and free access to foreign exchange for investment remittances.

Burundi concluded agreements establishing the terms and conditions for private investment by nationals and companies of one state in another by signing Bilateral Investment Treaties (BITs) with States like Belgium, Luxemburg, Germany, UK, Netherlands or even Kenya.

Rwanda

With the highest GDP growth rate during the last three years among the neighboring countries, Rwanda is an appealing country for foreign investment. Its political and stable governance with zero tolerance for corruption but also its Foreign Direct Investment inflow amount (118 million USD in 2009) reinforce the interest to invest in this country. Besides, Rwanda is the most competitive place to do business in East Africa and is ranked at the 6th position in Africa.

Rwanda also adopted in 2005 an Investment Code designed to regulate investments. In chapter VI of the Code, the government provides incentives to investment. Chapter XII of this Code contains articles that protect foreign investors.

The investment policy of Rwanda includes an initial capital requirement for official registration and investment certificates (not mandatory) of 250,000 USD for foreign investors and 100,000 for domestic and COMESA investors. There are no sectors barred to foreign investors and no limits on foreign ownership or control. Foreign investors are not subject to mandatory screenings. Besides all this there are no restrictions on the right of foreign investors to repatriate returns from an investment or even no legal requirement to purchase from local source or export a certain percentage of their output. Besides the fact that there is a general limit on land ownership and for land acquisition, investors who demonstrate the capacity to add more value, technology transfer, and invest in priority sectors may also receive enhanced tax and investment incentives, while there are additional incentives for an investor operating in a Free Export Processing Zone including greater tax benefits. There are also preferential tax incentives to investors contributing significant export-driven growth. Rwanda has concluded BITs with states such as Switzerland, Germany, the USA, Belgium, Luxemburg, and South Africa.

Kenya

Kenya is the leading economy in the region and has a long history of a liberalized economy and a strong private sector. Kenya has other advantages as an access to well-educated and skilled workers or a rapidly growing consumer market. The country is now becoming an important regional investor in the EAC.

Kenya's legal investment framework includes the investment code that was outlined in the Investment Promotion Act of 2004, foreign investment Protection Act and the Companies Ordinance (chapter 486), the Partnership Act (Chapter 20 and 30).

A minimum of 100,000 USD is required for foreign investment and the foreign certificate requirement is optional. Kenya's legal investment provides a guarantee of same treatment between foreign and local investors and no discrimination between local and foreign-owned goods. Except for telecommunications (80%) and insurance (66.7%), there is no restriction on foreign ownership of equity. Moreover, investors are free to convert and repatriate profits. Non-citizens may not own land but may lease land for a minimum period of 99 years. Kenya has concluded BITs with Netherlands, Germany, Italy, Switzerland, Finland, France and U.K.

Tanzania

Since its independence, Tanzania has never faced any political or ethnic conflicts, which has allowed a stable political environment to exist. Strategically located as a gateway to East Africa and the land-locked countries in Central Africa, the country can be attractive to investors wanted to invest there. Investors can find other strong reasons engage themselves in the region. For example, the country has investment favored policies and incentives or abundant and relative well-educated labor force.

The Tanzania investment Act of 1997 constitutes the investment legal framework of the country. Like the other partner states, Tanzania applies national treatment to foreign investors without performance requirements. There is no requirement to buy local sources, export a certain percentage of output or only access foreign exchange in relation to exports. Investment projects need to be approved by the Tanzania Investment Centre (TIC), which allows a 100% foreign ownership. Land ownership is restricted, but investors can lease land for up to 99 years.

Tanzania has concluded BITs with such states as Denmark, Finland, Germany, Italy, Netherlands, Sweden, Switzerland, the United Kingdom, and South Africa.

Uganda

Uganda has many advantages for attracting investors. Its strong economic growth, open markets, and abundant natural resources make it an appealing investment destination. Moreover, Uganda is one of the fast growing economies in East Africa and has a large educated workforce.

Uganda's Investment Act was created in 1991. Procedures for foreign investors are provided in part III of the Act and their protection is regulated in part V.

Investors can acquire domestic enterprises, establish Greenfield ventures or create single-person companies. The land can be leased for 49 to 99 years, and there is no restriction on capital transfers. Furthermore, the government provides tax incentives in four priority areas including value-added agriculture. Uganda has also concluded BITs with Denmark, France, Germany, Italy, Netherlands, Switzerland, the U.K., Belgium, Luxemburg and South Africa.

B. European Union

The EU's investment policy provides market access with legal certainty and a stable environment for EU investors and investments. The EU's investment policy aims to[12]:

[12] European Commission, http://ec.europa.eu/trade/policy/accessing-markets/investment/.

- Focus on long-term investment – establish projects that generate stable employment and growth
- Improve market access and ensure that foreign investments are treated like domestic ones
- Foster transparency by clarifying the regulatory framework
- Ensure that host and home states fully retain their right to regulate domestic sectors
- Free the flow of payments and investment-related capital movements, while preserving the possibility to take safeguard measures in exceptions circumstances; and
- Facilitate the movement of investment-related persons

As the European Union is the world's leading host and source of FDI, the EAC should look to the EU for potential investors. The EU has a mandate to invest sustainably in emerging markets. Naturally, it will gravitate toward the markets that show the most potential and, perhaps inherent in that, the markets that are the easiest to invest in. Investment decisions are driven primarily by market considerations.

The EU will ensure that European investors abroad enjoy a level playing field, which assures both uniform and optimal conditions for investment through the progressive abolition of restrictions on investment.

In order to be effective, guarantees from third countries on the conditions of investment should come in the form of binding commitments under international law. The most visible manifestation of member states' policies on investment over the last 50 years is the use of Bilateral Investment Treaties (BITs) with other states. The terms of these BITs are often very appealing to European economies, and one of the EU's preferred investment channels.

What are the criteria for the selection of partner countries? According to the Communication from the Commission[13], the Union should go where its investors would like to go but the Union should pave the way of investors abroad. A preference is made for markets with significant growth or growth prospects. Stable political system and liberalized economies are also important considerations for EU investors. Non-discrimination is a key component of EU investment negotiations.

As the European Union has decided to emphasize the importance of sustainable investment projects in emerging markets, this provides the EAC with an opportunity to capitalize on the terms of the EU's investment framework. When negotiating with potential European investors, the EAC should make sure to use the EU's investment framework as leverage for attracting investors to sustainable agriculture projects.

C. The Organisation for Economic Cooperation and Development

The Organization for Economic Co-operation and Development (OECD) has also developed their

[13] Communication from the Commission to the Council, the European Parliament, the European Economic and social Committee and the Committee of the regions, *Towards a comprehensive European international investment policy*, 2010.

own methods to promote investments. The Policy Framework for Investment, which was adopted in May 2006, is the first of its kind. The objective of the PFI is to mobilize private investment that supports economic growth and sustainable development. This framework is a tool for any government interested in creating an environment that is attractive to all investors. It is not binding.

The policy framework for Agriculture, developed in 2010, is a flexible tool, which helps governments evaluate their investment policies in areas essential to creating an attractive environment for investors. This framework has been used in Tanzania and Burkina Faso to improve their agricultural investment climate. By using this framework, countries aim to mobilize private investment in agriculture for steady economic growth and sustainable development.

D. Switzerland

As a member of the OECD, Switzerland accepts the investment policy of the OECD by respecting the liberalization of investment flows. Despite the fact that there is no regime in place for the protection of investment at the international level, Switzerland, through negotiation, has concluded several bilateral agreements to protect its investments. Switzerland has signed more than 120 BITs and is the world's 'third largest network of such agreements.

The EAC, EU, and Switzerland all emphasize the importance of promoting investment and developing SMEs in their investment frameworks. Likewise, all have made commitments to investing sustainably in emerging markets, which provides the EAC with a clear opportunity to attract Swiss and European investors and investment projects.

Example of Successful Agricultural Investment Projects in the EAC

Sustainable agriculture investment projects in the EAC are not without precedence. The following projects' overviews provide examples of how European investors have responsibly invested in the EAC in the past, and should serve as a standard to which future investment projects should be held.

ACUMEN, an organization that raises charitable donations to invest in companies, leaders, and ideas that are changing the way the world tackles poverty, has already invested in the agricultural sector of Africa. Specifically, their project focused on the Rwandan coffee industry, through KZ Noir. Coffee is an important crop for Rwanda; it represents 35% of its exports revenues. Although more than 184 washing coffee stations have been built to produce specialty coffee (a pillar to the economic growth of the country), the majority of stations do not operate at their maximum potential. KZ Noir is a company in Rwanda that provides agronomy training to improve farmers' crop yield and quality. The company also exports fully and semi-washed green coffee, and has two roasted coffee branches. KZ Noir is also establishing a positive relationship with local farmers by providing books and English training for teachers and students, and securing access to micro-loans for farmers. Without Acumen's investment the company provides a market for 15,000 smallholder farmers. With the $1.2M investment from ACUMEN, the company will be able to bring 25,000 farmers to the market.

PROPARCO, via its Investment and Support fund for Business in Africa (FISEA), has invested 7 million USD in the agribusiness investment company INJARO Agricultural Capital Holdings Limited, which is dedicated to financing West African SMEs throughout the agricultural value chain. Active since 2012, INJARO targets the agro-business SMEs considered too risky by many investors in the region. Agriculture is a key sector for development of the region but suffers from a lack of financing, low yields, an insufficient access to land and a weak business regulatory framework. The focus of INJARO is to provide equity, quasi-equity, and debt with average investment sizes of USD 2 to 3m in SMEs to help them improve productivity.

Another investment of PROPARCO via FISEA was in the agriculture sector in Kenya. With 60% of the continent's exports, Kenya dominates Africa's flower industry. The €2.5M equity investment will help to finance the investment program, which aims to help Bigot Group (a family-run group with longstanding experience in the cut flower sector) develop and secure the future of its farm in Kenya. The FISEA investment is in line with the strategy to develop sub-Saharan Africa's economic fabric and with the strategy to support French business in a fair trade industry. With this investment Bigot Group plans to acquire the land on which the production facilities are located.

FMO (the Dutch Entrepreneurial Development Bank) has led an investment project in Aviv Tanzania Ltd, a leading global integrated supply chain manager and processor of agricultural products and food ingredients. The company is in the process of developing a 2,000-hectare Greenfield coffee plantation in the Songea district of Tanzania to produce Arabica coffee berries and process them into washed beans. FMO's investment is about USD 14.00MLN. This fund will be used to acquire clear and developed land, as well as to establish an irrigation system and build wet and dry processing facilities.

CDC plc provided an investment of US$32.5m to the founders of Export Trading Group (ETG), which is an African agribusiness with operations in crop buying, warehousing, distributing and merchandising that employs over 7,000 people. ETG was chosen because it combines a commitment to strong development impact with a compelling investment case. Mark Pay, CDC's managing director said: "We chose ETG because it combines strong development impact – touching the lives of hundreds of thousands of small holder farmers across sub-Saharan Africa - with a compelling investment case. ETG is poised for strong growth, having begun to achieve scale after 30 years of hard work and investment by ETG's founders. This is a great example of CDC supporting the building of businesses and making a lasting difference in some of Africa's poorest countries". [14]

Norfund (the Norwegian Investment Fund for Developing Countries) has funded an investment project partnering with the company Africado Ltd, which is an avocado plantation at the foot of the Kilimanjaro in Tanzania. Norfund has invested equity and extended a loan to the plantation. The committed amount is about 21.0 MNOK. Africado is planning to engage a large number of independent farmers as vendors of avocados; it also plans to employ 300 people when it reaches its full capacity. The investment

[14] http://www.cdcgroup.com/The-difference-we-make/Case-Studies/Export-Trading-Group/

made in Africado is related to Tanzania's own poverty reduction strategy.

Conclusion

Foreign investment in the agriculture sectors of the EAC can be extremely beneficial in the development process, and can make great strides toward poverty reduction. However, it can also be extremely detrimental to a community if adequate steps are not taken to safeguard against these negative impacts. As these negative impacts are largely preventable, it is in the best interest of the EAC to allow foreign investment in their agriculture sector, so long as there is a framework in place to discourage abuses.

To facilitate the design of national legislation that ensures a sustainable agriculture, the EAC countries should consult the IAWG's *Principles of Responsible Investment*, and seek to incorporate them into an EAC common investment framework. Those principles could and should also be directly followed by investors. Along with taking steps to encourage investment in SMEs, adopting these measures could help mitigate the worst of the negative impacts that large-scale investment can have on communities.

The table of potential investors annexed herewith should serve as a tool the EAC governments can use to attract and initiative contact with investors who prioritize sustainability and responsibility in their mission statements. The list presents investors that invest in broader sectors than agriculture only. The EAC should ensure that the aims of these prospective investors are in line with their own national and regional development strategy so as to ensure a mutually beneficial relationship between the two parties.

APPENDIXES

A. Business procedures in EAC countries

Burundi

All businesses must be registered in the Agency Promotion Investment. According to the Investment Code, investors do not need to obtain an investment certificate. Here are the main steps to start a business in Burundi, according to the EAC Business Guide of 2013:

STEPS
1. Draft and have the Articles of Association notarized.
2. Deposit the legally required start-up capital and obtain a receipt.
3. Publish intended formation in legal journal.
4. Obtain criminal records of the first directors.
5. Register company with the Commercial Registry.
6. Register company with the Department of Taxation.
7. Register company with the municipality.
8. Register company with the Department of Work Inspection in the Ministry of Labour.
9. Register company with the National Institute for Social Security.
10. Make a company seal

Tanzania

The business registration process in Tanzania consists of twelve steps[15].

STEPS
1. Apply for clearance of the proposed company name at the Business Registration and Licensing Authority (BRELA).
2. Apply for a certificate of incorporation and of commencement at Registrar of Companies.
3. Apply for taxpayer identification number (TIN) at th Tanzania Revenue Authority.
4. Have income tax officials inspect the office site of the new company.
5. Apply for PAYE
6. Apply for a business license from the regional trade officer (depending on the nature of business).
7. Have the land and town-planning officer inspect the premises and obtain his/her signature.
8. Have the health officer inspect the premises and obtain his/her signature.
9. Apply for VAT certificate with the Tanzania Revenue Authority
10. Receive VAT/stamp duty inspection.
11. Register for the workmen's compensation insurance at the National Insurance Corporation or other alternative insurance policy.
12. Obtain registration number at the National Social Security Fund (NSSF).

[15] EAC Business Guide,EAC Secretariat, September 2013.

Rwanda

Registration has to be done to the Rwanda Development Board (RDB) but can also be done online. Here are the steps for registering a business[16]:

STEPS	ASSOCIATED COST
1. Check company name, submit application and pay 15,000 RWF	Registration fee: 15,000 RWF
2. Pick up registration card	
3. Obtaining an Investment Certificate at the Rwanda Development Board	Threshold of 250,000 USD for foreign investors and 100,000 for a local or EAC investors.
4. Obtaining land at the District land offices and Rwanda Natural Resources Authority	
5. Building and construction	
6. Environment-related requirements	
7. Local employees	Indemnities and other penalties are only payable to employees with continuous service of at least 12 months.
8. Expatriate employees	Fees for work permit: 50,000 RWF if the worker earns more than 500,000 RWF and 10,000 RWF if the worker earns less than 500,000. Workers from EAC countries do not have to pay a fee.

[16] EAC Business Guide,EAC Secretariat, September 2013.

Uganda

Uganda has 18 business registration procedures[17]:

STEPS	ASSOCIATED COSTS
1. Reserve your company name at Registrar office	UGX 25,000
2. Pay registration fees.	
3. Obtain the necessary incorporation and Tax registration forms	UGX 5600
4. Sign the declaration of compliance before the commissioner of oaths.	UGX 10,000
5. Obtain requisition for bank pay-in slip and Bank payment Advice forms	UGX 0
6. Pay registration fees at a given bank.	UGX 2500
7. File with the registrar general.	- Registration fees: UGX 100,00 - Stamp duty: 0.5% of shared capital - Stamp duty on Articles of Association: UGX 35,000
8. File with the local office of the Uganda Revenue Authority	UGX 0
9. Apply for corporate tax number	UGX 0
10. Apply for VAT registration.	UGX 0
11. An inspector from the Uganda Revenue Authority comes to inspect your Uganda business premises.	UGX 0

[17] EAC Business Guide,EAC Secretariat, September 2013.

12. Apply for Pay As You Earn (PAYE). The PAYE tax is paid by the employee but collected by the employer. This tax comes into effect later, upon the company becoming operational.	Employees earning below 1,560,000 do not pay PAYE increases as the income increases.
13. Obtain application forms for a Trading License.	
14. Licensing officer arranges to inspect your company premises and fills out an assessment form.	UGX 0
15. Pay license fee	
16. Obtain the trading license.	
17. File a form	UGX 0
18. Make a company seal	UGX 225,000

Kenya

The general technical procedure for starting a business in Kenya is summarized as follows[18]:

STEPS
1. Obtain approval for the company name at the Registrar of Companies.
2. Stamp the memorandum and articles and a statement of the nominal capital.
3. Pay stamp duty at the bank
4. Sign the Declaration of Compliance (Form 208) before a Commissioner of Oaths/notary public.
5. File deed and details with the Registrar of Companies at the Attorney General's Chamber in Nairobi
6. Register with the Tax Department for a company identification number (PIN).
7. Register with the VAT office
8. Apply for a business permit
9. Register with the National Social Security Fund (NSSF)

[18] EAC Business Guide, EAC Secretariat, Septeber 2013.

10. Register with the National Hospital Insurance Fund (NHIF)
11. Register for the withholding tax.
12. Make a company seal after a certificate of incorporation has been issued.

B. (DRAFT) List of potential investors

Name	**Category (private, institutional …)**	**Area(s) of interest of the investor**	**Procedure**	**Country**	**Contact - Website**	**Remarks**
INOKS Capital	Private alternative investment house	Agriculture + Energy		Switzerland	Rue du Rhône 118 1204 Geneva Switzerland http://www.inokscapital.ch/ T: +41 22 718 74 10 F: +41 22 718 74 19	Offer consultancy to investors

Sustainable Finance Geneva	Association of investments professionals	Agriculture + Energy (Environmental, Social, and Governance (ESG) criteria -> sustainable investments)	http://www.sfgeneva.org/index.php/about/become-a-member/	Switzerland	http://www.sfgeneva.org/ Sustainable Finance Geneva Chemin Rieu 17 1208 Genève Monday and Thursday Tel: +41 (0)22 849 19 13 email info@sfgeneva.org	Only for Swiss-based investors? Try to make a value addition to their circle through representing African investors and enlarge their capacities and investment opportunities
ttz Bremerhaven				Germany	http://www.ttz-bremerhaven.de/en/research/environment.html	
Africa Agriculture Trade and Investment Fund	Investment Fund (Created by KfW Development Bank and Deutsche Bank on behalf of the Federal Ministry for Economic Cooperation and Development. Deutsche Bank acts as the investment manager.)	Agriculture	http://www.aatif.lu/application-for-aatif-financing.html	Germany	https://www.db.com/cr/en/concrete-Africa-Agriculture-Trade-and-Investment-Fund.htm Parties interested in receiving funding from AATIF can refer to Investees investments@aatif.lu Technical Assistance technical_assistance@aatif.lu	Great importance is attributed by AATIF to promoting investments along the entire agricultural value chain. The fund will strive to improve agricultural practices to increase crop yields or assist in building storage and processing capacity to broaden local value addition.
European Investment Bank	Institutional organisation (particular interest here is on their work in ACP countries)	Agriculture + Energy (provide with technical assistance, loans, etc,)	http://www.eib.org/products/clients.htm	Luxembourg	European Investment Bank 98-100, boulevard Konrad Adenauer L-2950 Luxembourg	http://www.eib.org/attachments/country/supporting_entrepreneurship_in_acp_en.pdf

					Uinfo@eib.org 3 (+352) 43 79 – 1 5(+352) 43 77 04 www.eib.org/acp	
Amethis Finance	Private investment fund dedicated to long-term responsible investments in Africa (Amethis engages into long-term relationships with key clients by providing them a comprehensive financing offer. Amethis Finance is a "one stop shop" which provides all long-term financial instruments (long-term debt, equity investment and arrangement capacity), with high objectives in terms of development, social and environmental criteria as well as governance. Partnerships shape Amethis' uniqueness. Amethis is at the center of a Pan-African	Agribusiness + Energy		France	http://www.amethisfinance.com/ 18 rue de Tilsitt 75017 Paris Tel: +33 (0) 1 56 68 85 60 info@amethisfinance.com	Amethis' unique shareholding structure is composed of 55 investors of which only 3 are state owned while most of the investment funds dedicated to Africa have been financed by development finance institutions (DFI) so far. Amethis has managed to bring to Africa European, US and African institutions, together with close to 40 European and US entrepreneurs and family offices.

	community of long-term investors and business partners from Africa, Europe, MENA area, the US and Emerging countries, offering a strong project sourcing capacity.)					
The Swiss-African Business Circle	Business to business association	Agriculture + Energy	http://www.sabc.ch/index.cfm?page=120958&cfid=394217266&cftoken=76973406	Switzerland	Swiss-African Business Circle c/o rainbow unlimited gmbh Impasse Colombelle 8B 1218 Grand-Saconnex / Geneva Switzerland Tel +41 (0)22 788 42 77 Fax +41 (0)22 788 42 76 Email: info@sabc.ch www.sabc.ch	

African Private Equity & Venture Capital Association (pan-African industry body which promotes and enables private investment in Africa)	Association	Industry	http://www.avca-africa.org/events/sponsorship/	United Kingdom	The Banking Hall, Cropthorne Court, 26 Maida Vale, London, W9 1RS. United KingdomTelephone: +44 (0) 203 632 0408Email: avca@avca-africa.org Website: www.avca-africa.org	AVCA plays an important role as a champion and effective change agent for the industry, educating, equipping and connecting members and stakeholders with independent industry research, best practice training programmes and exceptional networking opportunities.With a global and growing member base, AVCA members span private equity and venture capital firms, institutional investors, foundations and endowments, pension funds, international development finance institutions, professional service firms, academia, and other associations.

Berkeley Energy	Investment Manager	Sustainable energy		United Kingdom	http://www.berkeley-energy.com/ One Kingdom Street 4th Floor London, UK W2 6BD United Kingdom +44 203 402 3160	London, Singapore, Mauritius, Delhi, Nairobi and Manila + establishing an office in Accra, Berkeley manages the Africa Renewable Energy Fund (AREF) invests into small hydro, wind, geothermal, solar, stranded gas and biomass projects across Sub-Saharan Africa, excluding South Africa.
Lion's Head Global Partners	Specialised Merchant Bank	Agriculture + Sustainability		United Kingdom	http://www.lhgp.com/ 29-35 Old Queen Street London SW1H 9JA Tel: +44 (0) 020 7340 0400 info@lhgp.com	Based in London and Nairobi - Advisory and structuring - Capital raising - Asset management
EFK	Danish Export Credit Agency	Agriculture + Energy	http://www.ekf.dk/en/How-it-works/How_to_apply/Pages/default.aspx	Denmark	www.ekf.dk Lautrupsgade 11 2100 København Ø T: +45 78 73 43 69 F: +45 35 46 26 11 M:ekf@ekf.dk	EKF offers risk cover in the form of guarantees for loans as well as equtiy. EFK also offers liquidity through various funding schemes.

IFU (Danish Climate Investment Fund)	Independant government owned fund	Agriculture + Energy	http://www.ifu.dk/en/	Denmark	http://www.ifu.dk/en/ Jacob Klingemann, Investment director Tel: +45 33 63 75 28 jkl@ifu.dk Natalia Svejgaard, Investment director Tel: +45 33 63 75 31 nsv@ivu.dk Peer Munkholt, Investment director Tel:+45 33 63 75 53 pmu@ivu:dk	Through project investments in developing countries and emerging markets the fund will contribute to reducing global warming and promote the transfer of Danish climate technology. Furthermore, the Danish Climate Investment Fund will provide its investors with a competitive return. The Danish Climate Investment Fund is expected to assist small and medium-sized companies in gaining access to new countries and markets, either directly or as suppliers to larger climate projects. The Danish Climate Investment Fund will invest in projects that directly or indirectly contribute to reducing greenhouse gas emissions, and in all the so-called DAC countries. Geographically the fund covers almost all countries in Latin America and Africa, the majority of the countries in Asia

						and a few countries in Europe.
GEEREF (Global Energy Efficiency and Renewable Energy Fund	Fund-in-Funds	Energy	http://geeref.com/about/investment-strategy.html	Luxembourg	www.geeref.com 100 Boulevard Konrad Adenauer L-2950 Luxembourg tel: +352 4379-70492 info@geeref.com	GEEREF seeks to provide access to sustainable energy and increase energy efficiency in developping countries and economies in transition and seeks also to fight climate change and contribute to a sustainable enviornment and to achieve robust financial returns.
Aldwych - International Ltd	Investment Fund	Energy		United Kingdom	www.aldwych-international.com30 King Street LondonEC2V 8EHTel: +44 (0)20 7776 1900contact@aldwych-international.com	

SIFEM (Swiss Investment Fund for emerging countries)	Finance institution of the Swiss Confederation	Energy	http://www.sifem.ch/investment-approach/target-countries-and-instruments/	Switzerland	www.sifem.ch Bubenbergplatz 11 3011 Bern Tel: +41(0)313100930	SIFEM exclusively focuses on developing and transition economies. It only invests in countries whose GNI per capita is below the World Bank's IBRD graduation threshold (adapted regularly, USD 7,115 per capita as of 2013). The partner countries of the Swiss Development Cooperation are treated with priority. Roll over to the map below to see a list of SIFEM's priority countries per region. At least 60% of SIFEM's investment volume in any year must be allocated to these priority countries. In cases of regional or global funds, the geographical criteria is fulfilled if at least 50% of fund or financial institution investment is made in the priority countries.

DEG (Deutsche Investitions- und Entwicklungsgesellschaft mbH	subsidiary of KfW bank	Agriculture, Environmental Substainability	https://www.deginvest.de/International-financing/DEG/Unser-Angebot/	Germany	www.deginvest.de P.O. Box 10 09 61 50449 Köln, Kämmergasse 22 50676 Köln, Germany Tel: +49 221 49 86 0 email: info@deginvest.de	
Norfund (Norwegian Investment for Developing Countries)	State-owned compagny, owned on behalf of the Norwegian Government	Agriculture and Energy	http://www.norfund.no/investment-process/category302.html	Norway	www.norfund.org Head office Postal address: P.O. Box 1280 Vika, 0111 Oslo, Norway Visiting address: Støperigata 2, N-0250 Oslo Norway Phone: +47 22 01 93 93 Fax: +47 22 01 93 94, Email: post@norfund.no	Offices in Nairobi, Johannesburg, Maputo, San Jose, Maputo Norfund provides equity, other risk capital and loans to companies in selected countries and sectors where businesses lack access to sufficient capital to develop and grow.
CDC Group plc	Institution owned by the UK Government's Department for International Development	Agriculture	http://www.cdcgroup.com/Get-in-touch/Submit-a-proposal/	United Kingdom	www. cdcgroup.com CDC Group plc 123 Victoria Street London SW1E 6DE United Kingdom Tel: +44 (0)20 7963 4700 Fax: +44 (0)20 7963 4750 Email:	

					enquiries@cdcgroup.com	
Frontier, Investment management	Investment Manager	Energy	http://www.frontier.dk/fund/investment-strategy	Denmark	www.frontier.dk Copenhagen Office Frontier Investment Management ApS, Fredericiagade 27 1310 Copenhagen Denmark Main tel: +45 3341 3344 Email: info@frontier.dk	Based in Copenhagen and Nairobi, Frontier Investment Management manages DI Frontier Market Energy & Carbon Fund on behalf a diverse group of investors including CDC, Tryg, IFU, PensionDanemark, PFApension, GEEREF
FMO	Entrepreneurial Development Bank	Agriculture and Energy	http://www.fmo.nl/financing-business contact form: https://www.fmo.nl/contact-form	Netherlands	www.fmo.nl FMO, Netherlands Development Finance Compagny Anna van Saksenlaan 71 2593 HW The Hague The Netherlands T: +31 (0)70 314 96 96 F: +31 (0)70 324 61 87 Email: Info@fmo.nl	FMO finances commercially viable companies and projects through a variety of finance products and services – designing their funding packages to match each client's situation, needs and interests.

FISEA (held by AFD the Agence Française de Développement), PROPARCO Groupe Agence Française	Investment Fund	Agriculture and Energy	http://www.proparco.fr/lang/en/Accueil_PROPARCO/fisea-proparco/la-demande-de-financement	France	http://www.proparco.fr/lang/en/Accueil_PROPARCO/fisea-proparcoPROPARCO, subsidiary of AFD dedicated to financing private sector in developing and emerging countries, ensures preparation and management of FISEA's operations, Private Equity Department – FISEA151 rue St Honoré – 75001 ParisFranceTel.: (0033) 1 53 44 31 07email: fisea@afd.fr	
Triodos Investment Management	Investment Manager	Agriculture and Energy	http://www.triodos.com/en/investment-management/impact-investment/looking-for-funding/	Netherlands	Triodos Investment Management, Nieuweroordweg 1 3704 EC Zeist PO Box 55 3700 AB Zeist The Netherlands T: +31 (0)30 693 65 00 F: +31 (0)30 693 65 55 email contact: https://www.triodos.com/en/investment-management/service/contact/ Investor Relations staff in	Local Offices in France, United Kingdom, Netherlands, Germany and Belgium

					Europe: +31 (0)30 694 2400	
Green Power Africa (established by the Private Infrastructure Development Group PIDG)	Investment Fund	Energy	http://www.pidg.org/faqs	United Kingdom	http://www.greenafricapower.com/index.html Peter Hutchinson, Executive Director E-mail: peter.hutchinson@greenafricapower.com Green Africa Power LLP 64 Victoria Street London SW1E 6QP England, Telephone:+447940061436	Contact Peter Hutchinson, Executive Director

Climate Dislosure Standards Board	CDSB is a consortium of global business and environmental NGOs. CDSB is supported by a Technical Working Group consisting of business, accountancy bodies, the major accountancy firms, academia and others, as well as investors.	Energy and Agriculture	Corporate engagement program: http://cdsb.net/get-involved/investor-engagement-program Investors engagement program: http://cdsb.net/get-involved/investor-engagement-program	United Kingdom	http://cdsb.net/ Climate Dislosure Standards Board Secretariat C/O - CDP Worldwide 40 Bowling Green Lane London, EC1R 0NE +44 (0) 207 415 7180	Designed for large business/investors that will need more international visibility / more knowledge on international ssutainable standards -> opportunity to open new markets Through CDSB's work: Investors will be able to make informed and robust decisions based on clarity, confidence and trust in climate change-related opportunities and risks disclosed by a company. Companies can use CDSB’s Framework to incorporate climate change-related information in mainstream financial reports, assisting companies in achieving a holistic view of how climate change can affect their performance and the necessary actions they could take to address the risks and opportunities.

World Business Council for Sustainable Development	A CEO-led organization of forward-thinking companies	Energy	Grant McKibbin: +41 22 839 31 48 / Mckibbin@wbcsd.org Angela Barmettler: +41 22 839 31 69 / Barmettler@wbcsd.org	Switzerland	http://www.wbcsd.org/ Head Office MAISON DE LA PAIX Chemin Eugène-Rigot, 2 Case Postale 246 CH-1211 Geneva 21 Tel: +41 (22) 839 3100 Fax: +41 (22) 839 3131 E-mail: info@wbcsd.org	Designed for large business/investors that will need more international visibility / more knowledge on international ssutainable standards -> opportunity to open new markets WBCSD membership provides the opportunity to: Strengthen your competitive advantage and tackle your most vexing sustainability challenges by developing and scaling-up innovative tools and solutions in a safe space with like-minded peers Break out of isolated sustainability initiatives with limited impact and join forces with leaders from across the globe to scale-up business solutions to key environmental and social issues Plug into a robust science-based sustainability agenda that will help you identify and prioritize the sustainability issues

						that are most critical to your business Gain privileged access to high-level global policy platforms and key collaborators such as the IFC, International Union for Conservation of Nature (IUCN), International Integrated Reporting Council (IIRC), OECD, Sustainability Accounting Standards Board (SASB), UN Secretary General's Office, The Natural Capital Coalition, World Bank or the World Resources Institute (WRI)
Venture Capital for Africa (VC4Africa)	Online platform for startup fundinf	Energy and Agriculture	https://vc4africa.biz/signup/	Internet	https://vc4africa.biz/	VC4Africa is the largest online community of entrepreneurs and investors dedicated to building game changing companies on the continent. Entrepreneurs have access to free online tools, mentorship opportunities and private deal rooms. Investor Pro Account users can set up intelligent alerts, follow progress, conduct due diligence and

						connect directly with the continent's leading entrepreneurs. The community has members in 159 countries and meetups have been hosted in more than 50 cities around the world
AfricaSynergies International	Socially responsible financial platform	Energy and Agriculture	Call Mr Jean Baptiste Bokoto (Tel: +32 (0) 486 65 74 55) or send an email to: africasynergies@hotmail.com	Belgium	contact@africasynergies.com Hub Bruxelles 37 rue Prince Royal Brusells +32 492 06 43 80	https://www.facebook.com/groups/383929428306109/ It finances projects/business based on two extra-financial criterias: - the project must be implemented in an urban or rural zone that is least-developed economically -the project must have issues in finding "classic" funds
Acumen	Organisation that raises charitable donations to invest in companies, leaders, and ideas that are changing the way the world tackles poverty.	Energy and Agriculture	http://acumen.org/investments/apply-for-investment/	United Kingdom	http://acumen.org/ 7-11 Herbrand St., Russell Square London WC1N 1EX, England T +44 20 7961 2522	

Nordic Development Fund	Joint development finance institution of the five Nordic countries	Energy and Agriculture		Finland	Nordic Development Fund P.O. Box 185 FIN-00171 Helsinki, Finland (Visiting address: Fabianinkatu 34) Tel: +358 10 618 002 Fax: +358 9 622 1491 E-mail: info.ndf@ndf.fi	
SOVEC		Energy		The Netherlands	SOVEC Management BV Diemerzeedijk 27 1095 KK Amsterdam, The Netherlands Email: info@sovec.nl Telephone: +31 (0)20-673 28 18 Fax: +31 (0)20-662 17 79	
Helios Investment Partners	Private investment firm with an African focused	Energy	http://www.heliosinvestment.com/investment-strategy/investment-focus	United Kingdom	Investment Partners LLP 2nd Floor 12 Charles II Street. St. James's London SW1Y 4QU Phone:+442074847700 Fax: +44207484-7750 email:info@HeliosLLP.com	

Private Investors for Africa	Business coalition of companies	Agriculture and Energy		Belgium	Secretariat : Secretariat Private Investors for Africa Akkanto-Chaussee de La Hulpe 189 1170 Brussels Contacts: Walter Gelens PIA Secretary General T:+3226101054 walter.gelens@akkanto.com Diana Munro T:+27833265958 diana.munro@akkanto.com Marlies Spaans T:+3226101068 marlies.spaans@akkanto.com Julie Bleeker T:+3226101066 julie.bleeker@akkanto.com	
Swedfund	Development financier of the Swedish State	Agriculture (agribusiness)		Sweden	Swedfund International ABSveavägen 24-26, P.O. Box3286SE-103 65 Stockholm Phone: +4687259400	A regional office in Nairobi
Actis	Private equity firm	Energy		United Kingdom	Actis 2 More London Riverside London SE12JT Phone:+442072345000 Fax:+442072345	Offices in Bejing, Cairo, Delhi, Johannesburg, Lagos, Mumbai, Nairobi, New York,

					010 email: info@act.is	Sao Paulo, Singapore
8Miles	Private equity firm	Agriculture and Energy		United Kingdom	8Miles Ltd 5th Floor 55 Strand London WC2N 5LR T:+44207068 9999 info@8miles.co m	
Jacana	Investors in Africa entrepreneurs	Investing in SMEs		United Kingdom	Jacana 7 Adam Street The Strand London WC2N 6AA Tel:+44(0)20752 09236 Fax:+44(0)20752 09237 info@jacana.org http://jacanatest .wordpress.com	Offices in Accra, Nairobi and Dar es Salaam