



Investment opportunities

with



Hand-in-Hand Initiative

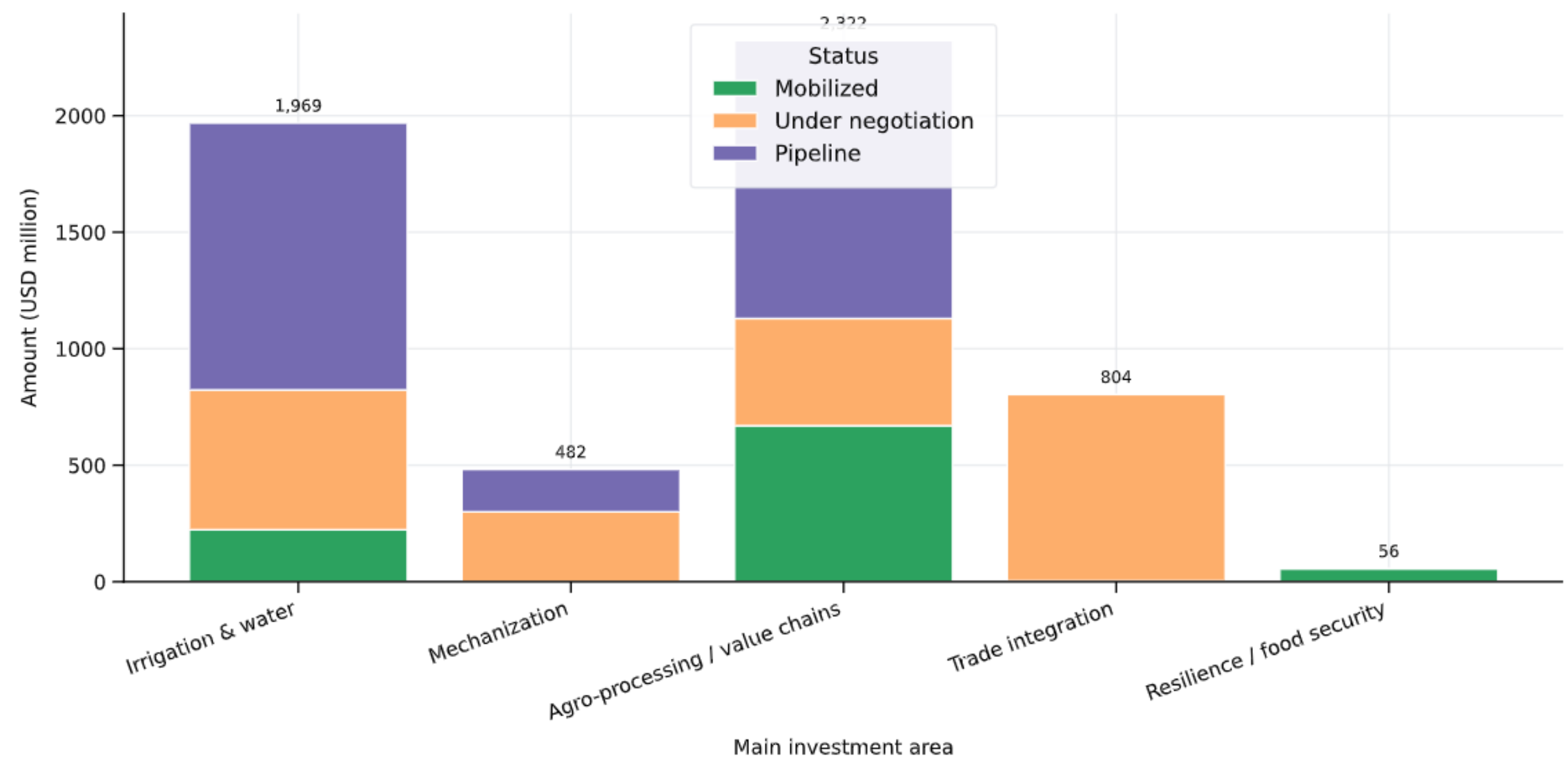


Mobilization progress since 2024

Mobilized investments focus

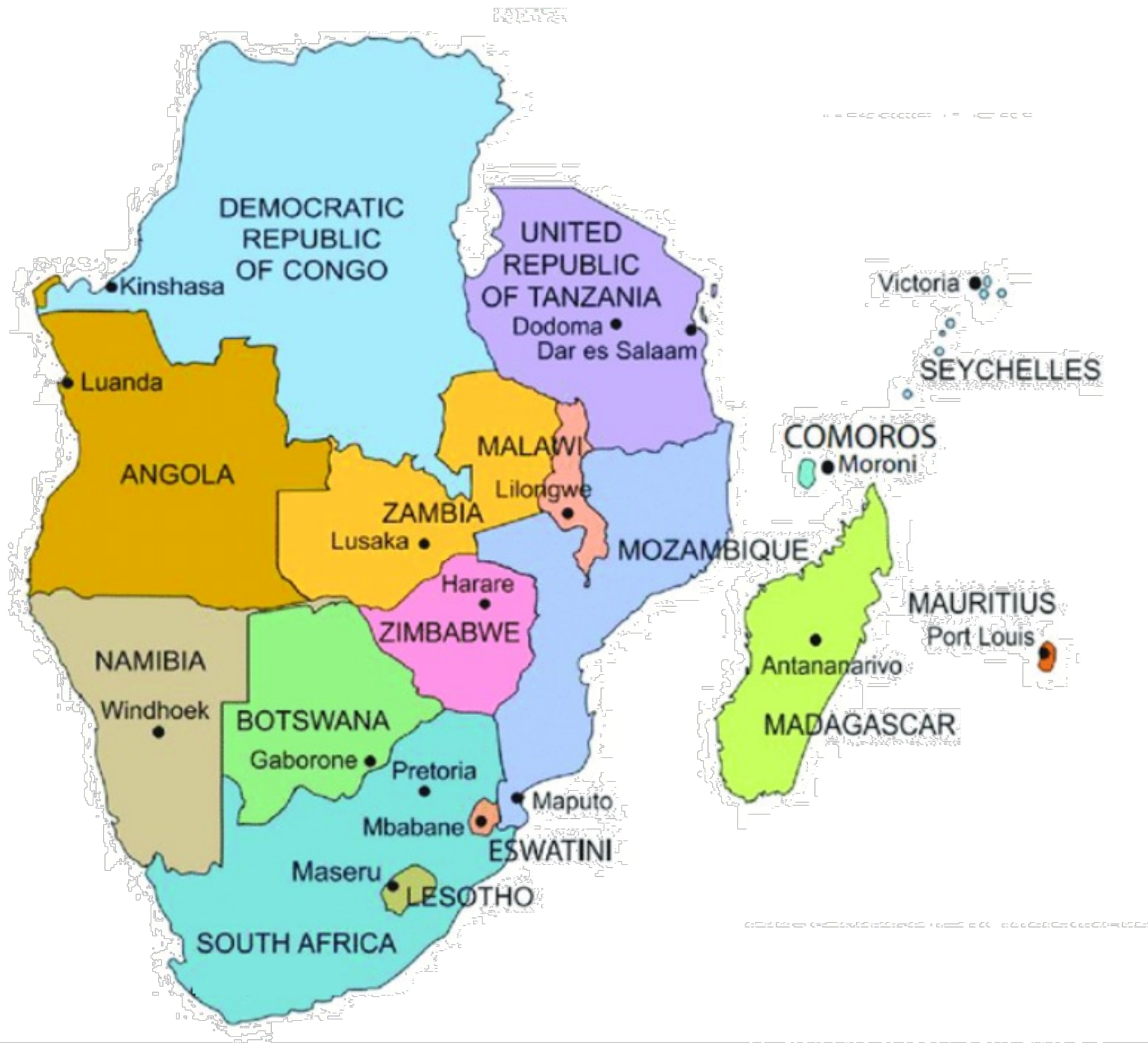
- Irrigation & Water**
- Irrigation package
 - Scheme expansion and irrigated area coverage
- Mechanization**
- Equipment imports (procurement under projects)
- Agro-processing / value chains**
- Productivity
 - market access
 - processing/value chains
 - Livestock
 - rice/grains
 - private-sector agribusiness commitments
- Trade integration**
- Value-chain development and cross-border trade
- Resilience / Food security**
- resilience building
 - anticipatory action and disaster preparedness
 - food and nutrition security
 - climate adaptation

Southern Africa agrifood investments by main area and status
(USD-only illustrative aggregation)



Notes: USD-only amounts included for comparability; EUR and UA-denominated items excluded.
Ranged values use midpoint; > values use the lower-bound amount. Some area/status groupings are analytical for visualization.

SADC economies at a glance



01

High Income

Seychelles

04

Upper Middle
Income

Botswana

Mauritius

Namibia

South Africa

07

Lower Middle
Income

Angola

Comoros

Eswatini

Lesotho

Tanzania

Zambia

Zimbabwe

04

Low Income
Countries

DRC

Malawi

Mozambique

Madagascar

Legend

Small Island Developing States (SIDS)

Landlocked countries (LLDCs)

Countries participating in the SADC Investment plan

Asset Wealth Index and Socio-Economic Indicators in Southern Africa



Population
363 million



GDP
Contribution
Agriculture 33%

World Bank, 2023



Poverty 43%
World Bank, 2023



Arable Land
553,781 km²

SADC, 2018



GDP
USD 721.3 billion



Food insecurity
17.4 million

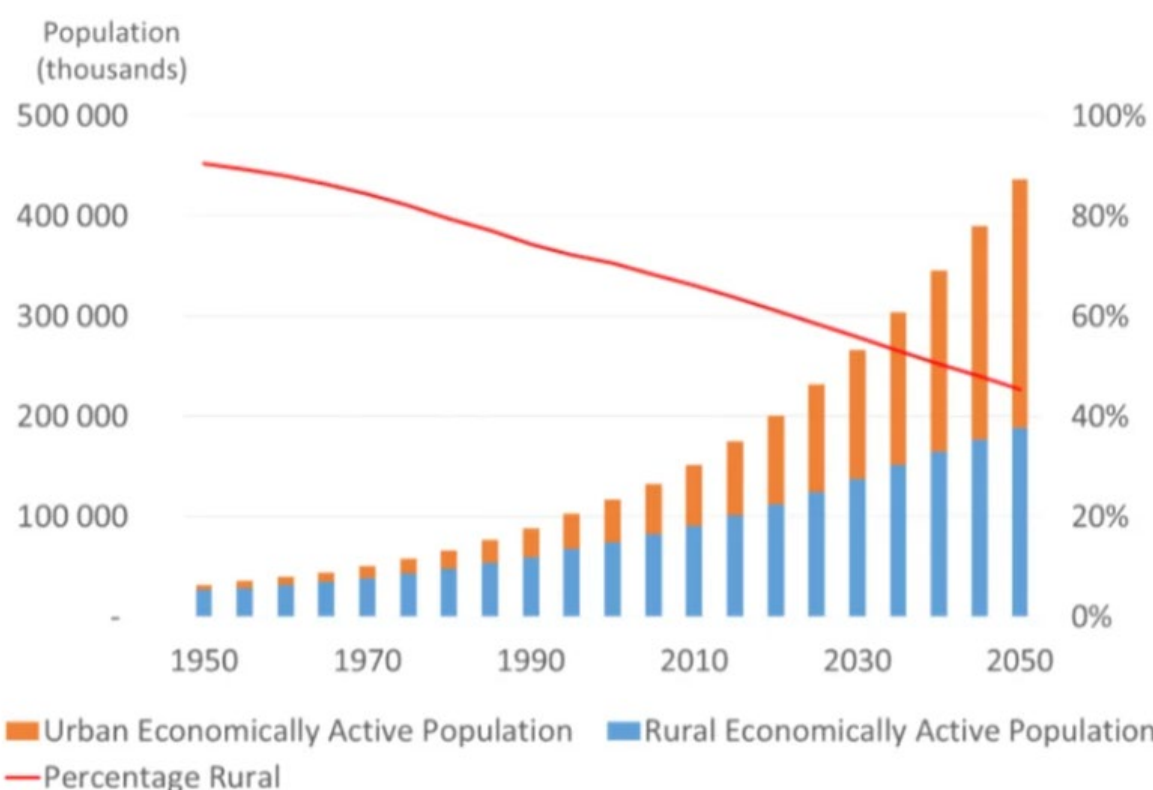
SADC, 2024

SOFI, 2023

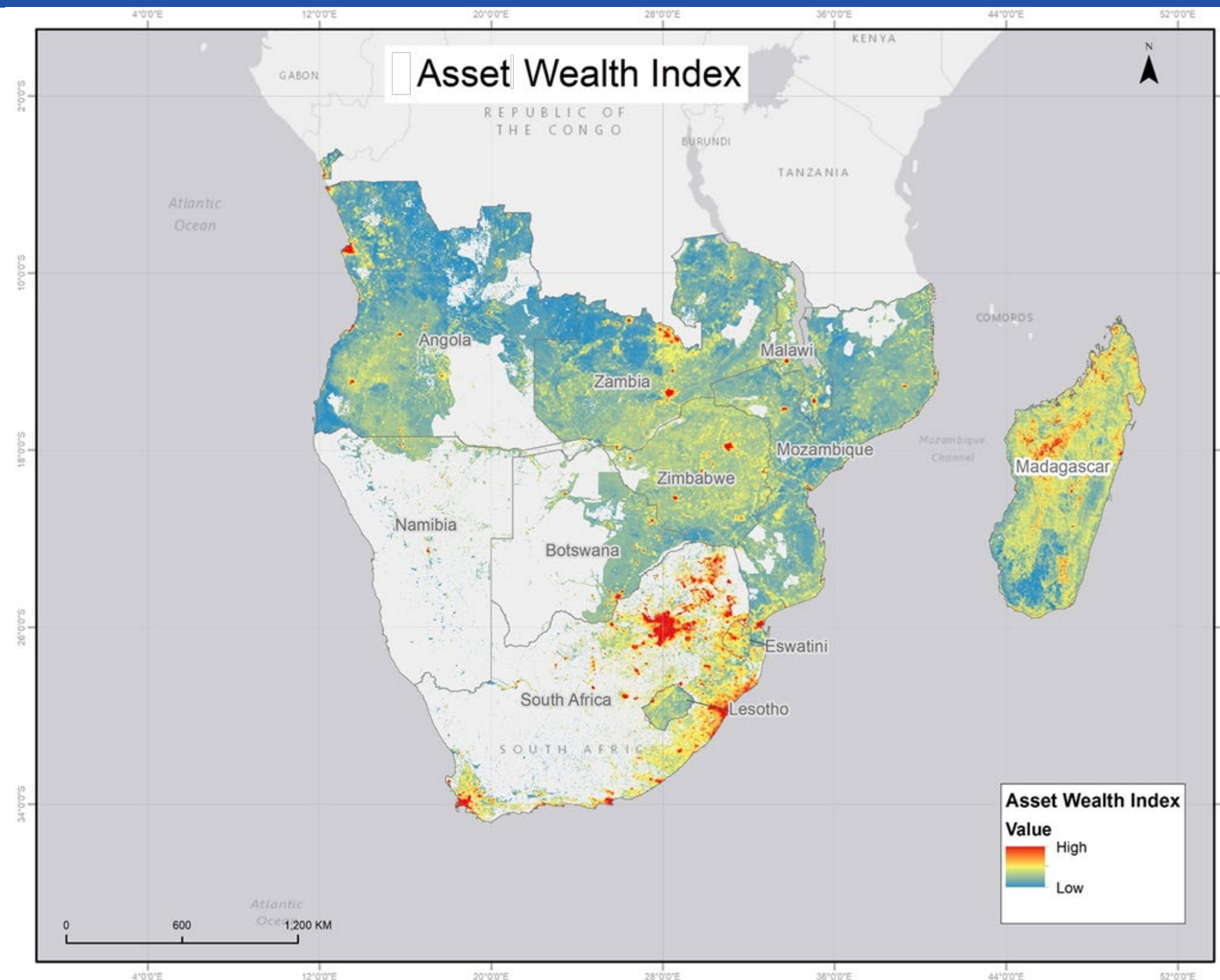


Approximately **70%** of the SADC population lives **below the \$2** per day poverty line, and about a third lives in abject poverty.

Source: SADC, Demographic and Social Statistics, 2023

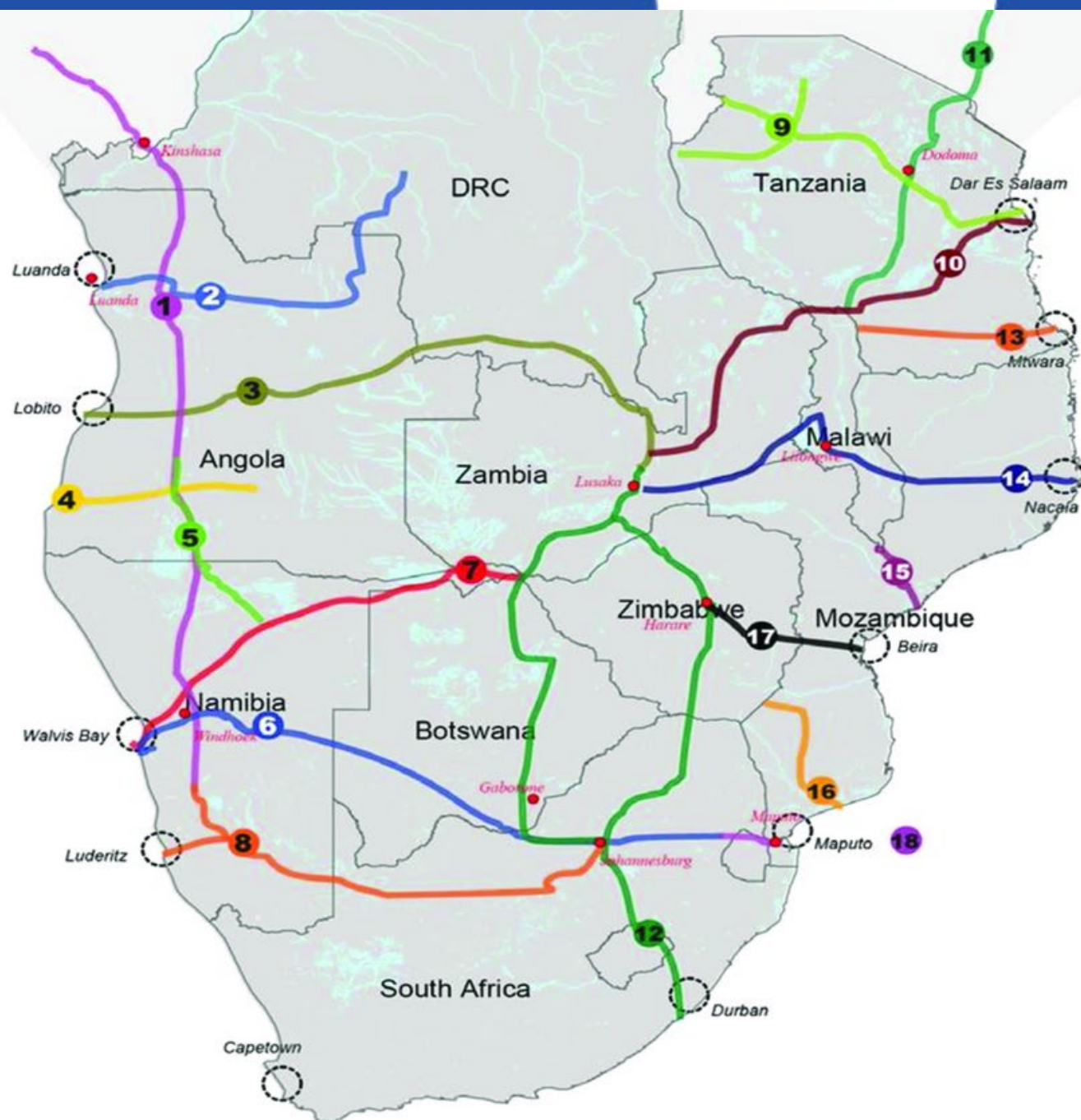


Source: Evolution of rural and urban economically active populations in SADC countries (except South Africa, Mauritius and Seychelles), 2015



Source: FAO HiH -GIS based on ATLAS

Investment enablers



- 1 TAH Tripoli-Windhoek Corridor
- 2 Melange Corridor
- 3 Lobito Corridor
- 4 Namibe Corridor
- 5 Trans- Cunene Corridor
- 6 Trans-Kalahari Corridor
- 7 Trans-Caprivi Corridor
- 8 Oranje Corridor
- 9 Central Corridor
- 10 Dar es Salaam (Tazara) Corridor
- 11 TAH CAiro-Gabarone Corridor
- 12 North-South Corridor
- 13 Mtwara Corridor
- 14 Nacala Corridor
- 15 Shire-Zambezi Corridor
- 16 Limpopo Corridor
- 17 Beira Corridor
- 18 Maputo Corridor



18 corridors



More than 20 major ports



Favourable subtropical climate for diverse agriculture

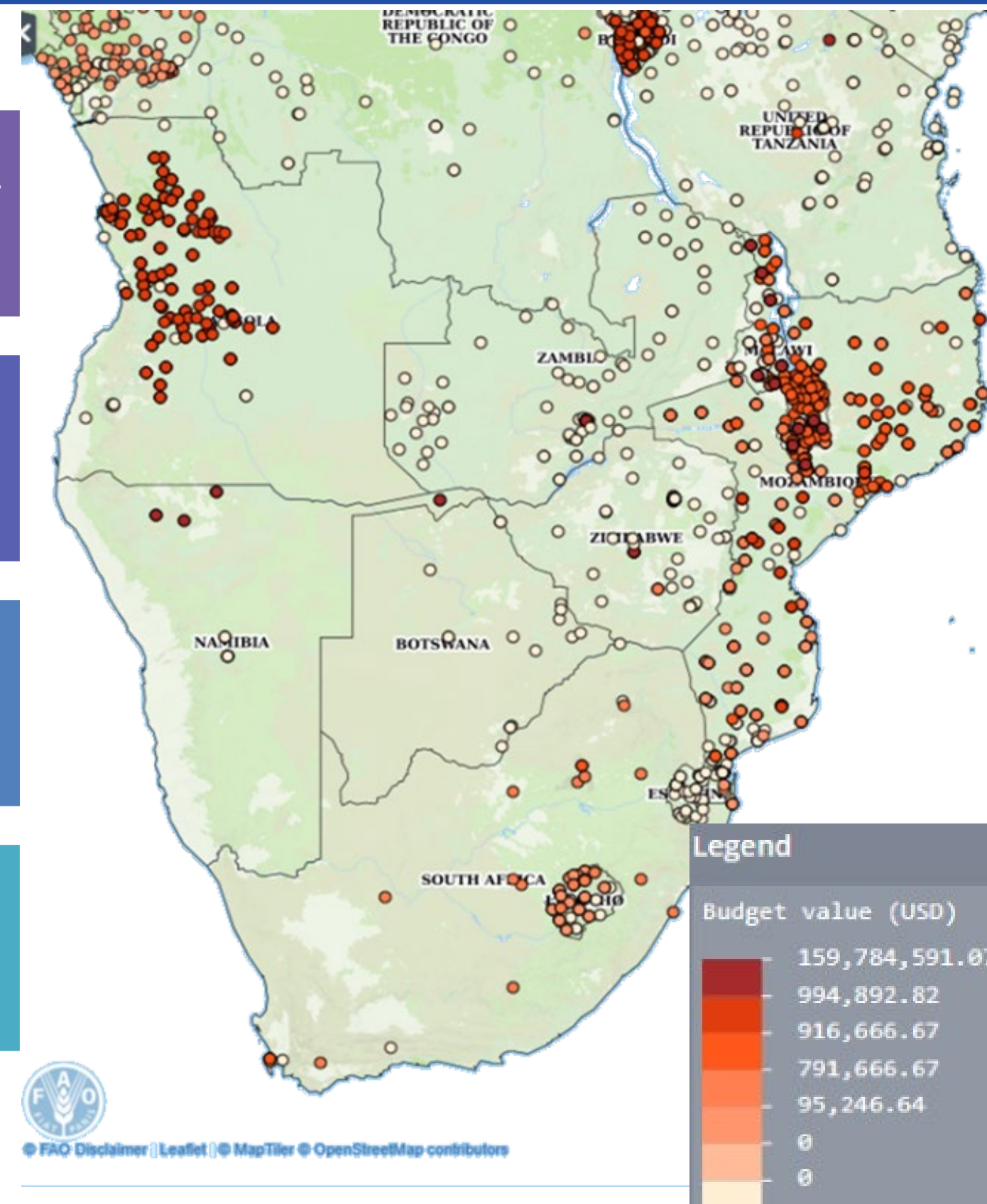
5 major railway and 5 major road corridors

Most stable subregion in Africa for peace and security

Bank-dominated financial systems, stable sector

Expanding labour force, strong human capital

Strong SADC economic policies : trade integration, infrastructure



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Governments' policies and incentives



Angola

National Grain, Livestock & Fisheries plan, PRODESI, 2024–2026 Osi Yetu programme, 2023–2027 National Development Plan: Land rights for private use, Tax and customs incentives by zones, access to credit, input support.



Botswana

Agricultural Credit Guarantee Scheme (AGCS), National Agriculture Financing Strategy, Meat Industry Regulatory Authority (MIRA): output- and productivity-based incentives



Eswatini

Eswatini Agriculture Development Fund (EADF), Special Economic Zones (SEZ): Export credit guarantee scheme (duty-free access on some capital goods), indefinite loss carry-forward, full repatriation of profits / dividends, and employee training allowances



Lesotho

National agriculture development plan, LNDC, 2022–2026 CNAP / L-IB-NAIP: Title to land by foreign companies, local shareholding 20%, 10% corporate income tax for manufacturing and commercial farming, VAT zero-rating on exports, 125% training tax deduction for Basotho employees,



Madagascar

Special Economic Zones (SEZs), 2023 Investment Code, EDBM one-stop shop: eligible free-zone firms 2–5 years of CIT exemption, 10% CIT rate, investment reductions, long-term leases for large tracts, exemptions on imported equipments and materials



Malawi

2024 Government of Malawi incentives booklet: Import duty and VAT waivers on agricultural equipment, Tax holiday up to 10 years for agro-processing, duty exemptions on imported capital goods and building materials



Mozambique

January 2026, customs changes linked to the AfCFTA tariff schedule: accelerated depreciation, 5–10% investment tax credit, and customs duty/VAT exemption on qualifying capital equipment



Namibia

Green Schemes and agro-processing in 2025/26, NDP6 (2025/26–2030/31): N\$561 million for agri-infrastructure, N\$28 million agricultural support programme, priority to private-sector-led agriculture transformation, great push for renewable energy and export of power.



South Africa

Agro-Processing Support Scheme (APSS), IDC: 20–30% cost-sharing grant up to R20 million over two years, with a possible additional 10% for projects meeting employment / transformation / localisation criteria ; financing agro-processing and agriculture projects.



Tanzania

TIC, Agenda 10/30, EPZ/SEZ: immediate write-off of plant and machinery used in agriculture and agricultural improvement expenditures, 10-year income tax holiday on export sales, withholding tax holiday, input subsidy schemes, expansion of irrigation, agri-finance via TADB/TIB



Zambia

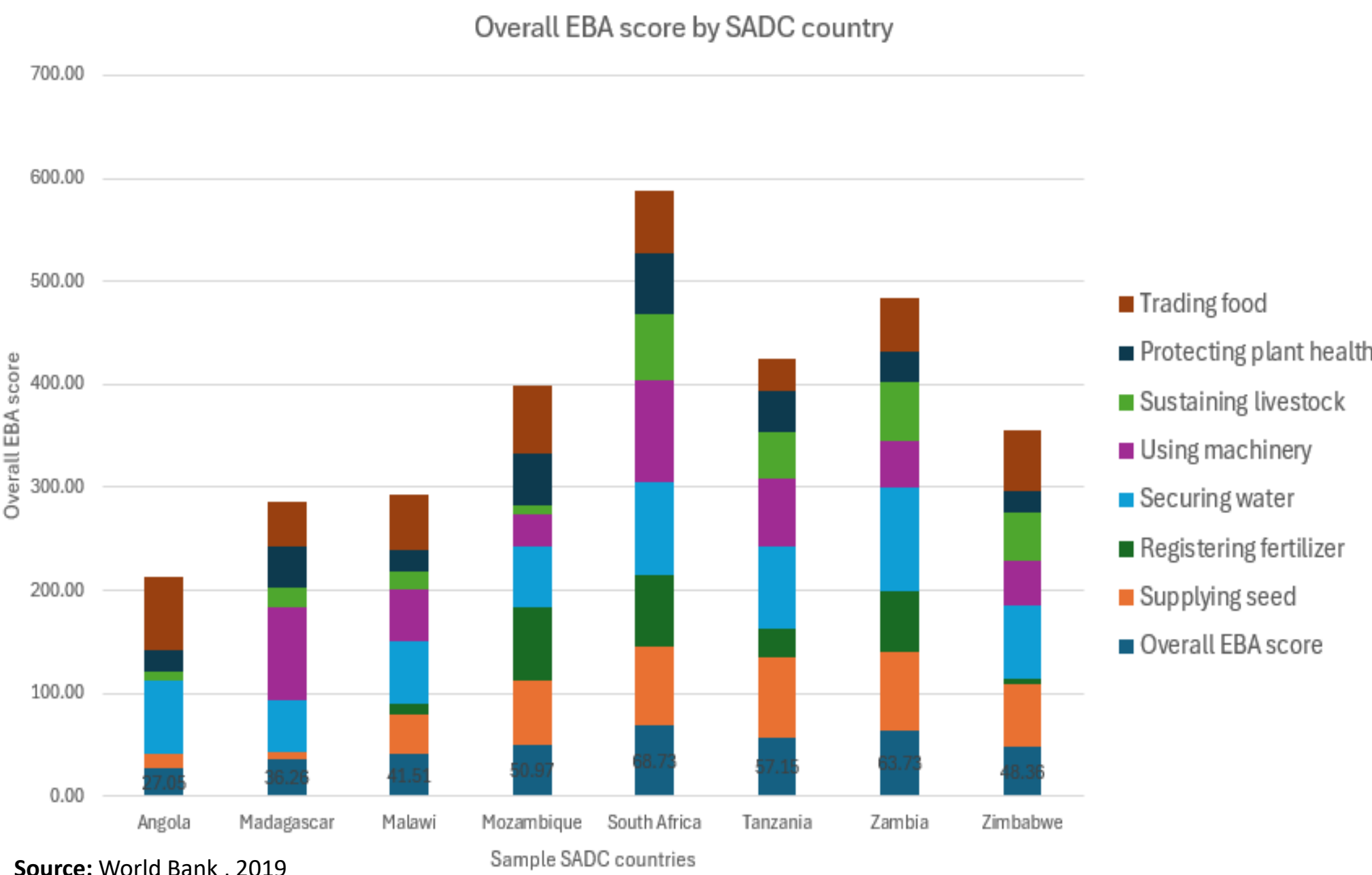
Investment, Trade and Business Development (Amendment) Act 2024, SEZs, ZDA: priority sectors, rural areas and farm blocks, investors of US\$500,000+ can obtain 0% import duty on capital equipment and accelerated depreciation for five years.



Zimbabwe

2025 Investor's Guide, SEZ: 25% Special Initial Allowance for farm improvements and machinery, access to reduced tax rates depending on export share, securitized land tenure documents to help farmers access bank finance

Ease of doing business



SADC business climate, access to credit, and FDI indicators

Country	DB 2020 rank	Getting credit rank	Domestic credit to private sector (% GDP)	Year	FDI net inflows (% GDP, 2024)
Angola	177	185	7.3	2024	-1.1
Botswana	87	80	32.9	2024	2.4
Comoros	160		17.1	2024	0.5
Eswatini	121	94	21.6	2024	1.6
Lesotho	122	92	25.6	2024	-0.6
Madagascar	161	132	16.6	2024	3.48
Malawi	109		7.9	2024	6.02
Mauritius	13		69.9	2024	4.56
Mozambique	138	165	17.87	2024	15.43
Namibia	104		61.02	2022	14.76
Seychelles	100	144	44.51	2020	10.43
South Africa	84	80	107.88	2020	
Tanzania	141	67	16.8	2024	2.18
Zambia	85	4	13	2024	9.32
Zimbabwe	140	67	8.3	2023	

Source: World Bank , 2020-2024

Investment opportunities



Small reservoir for irrigation and irrigation pumps

Mechanization hire service hubs

Agro-processing facilities

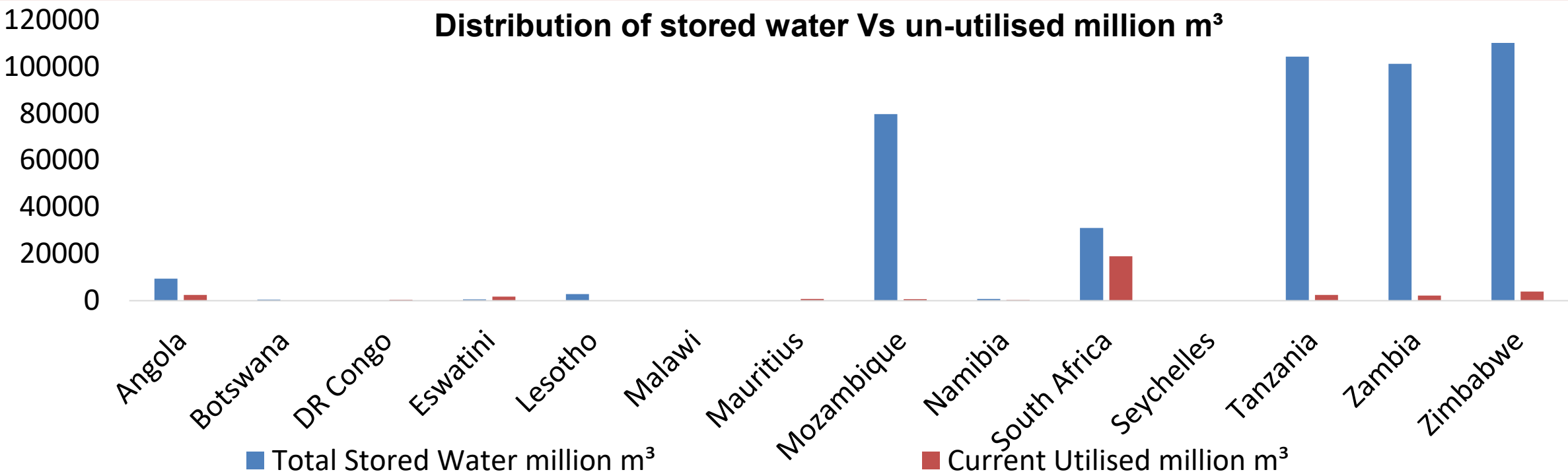
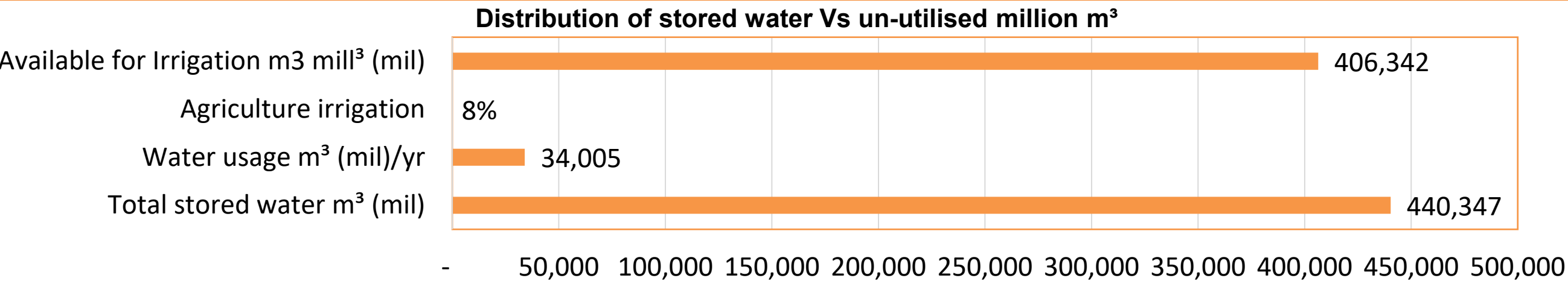
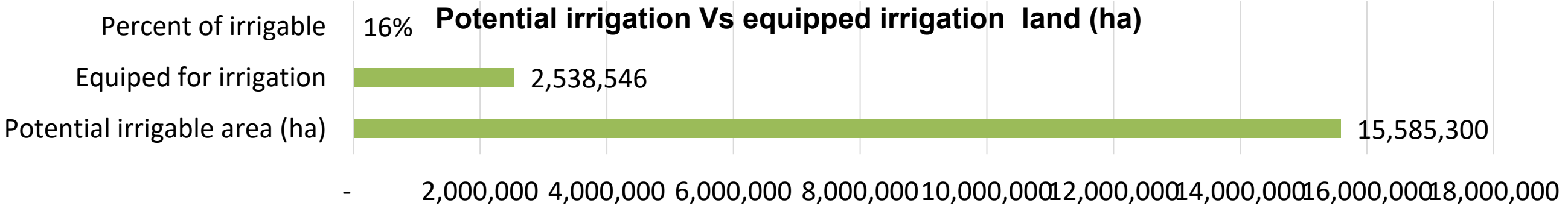
Trade integration

1

SMALL RESERVOIR FOR IRRIGATION AND IRRIGATION PUMPS



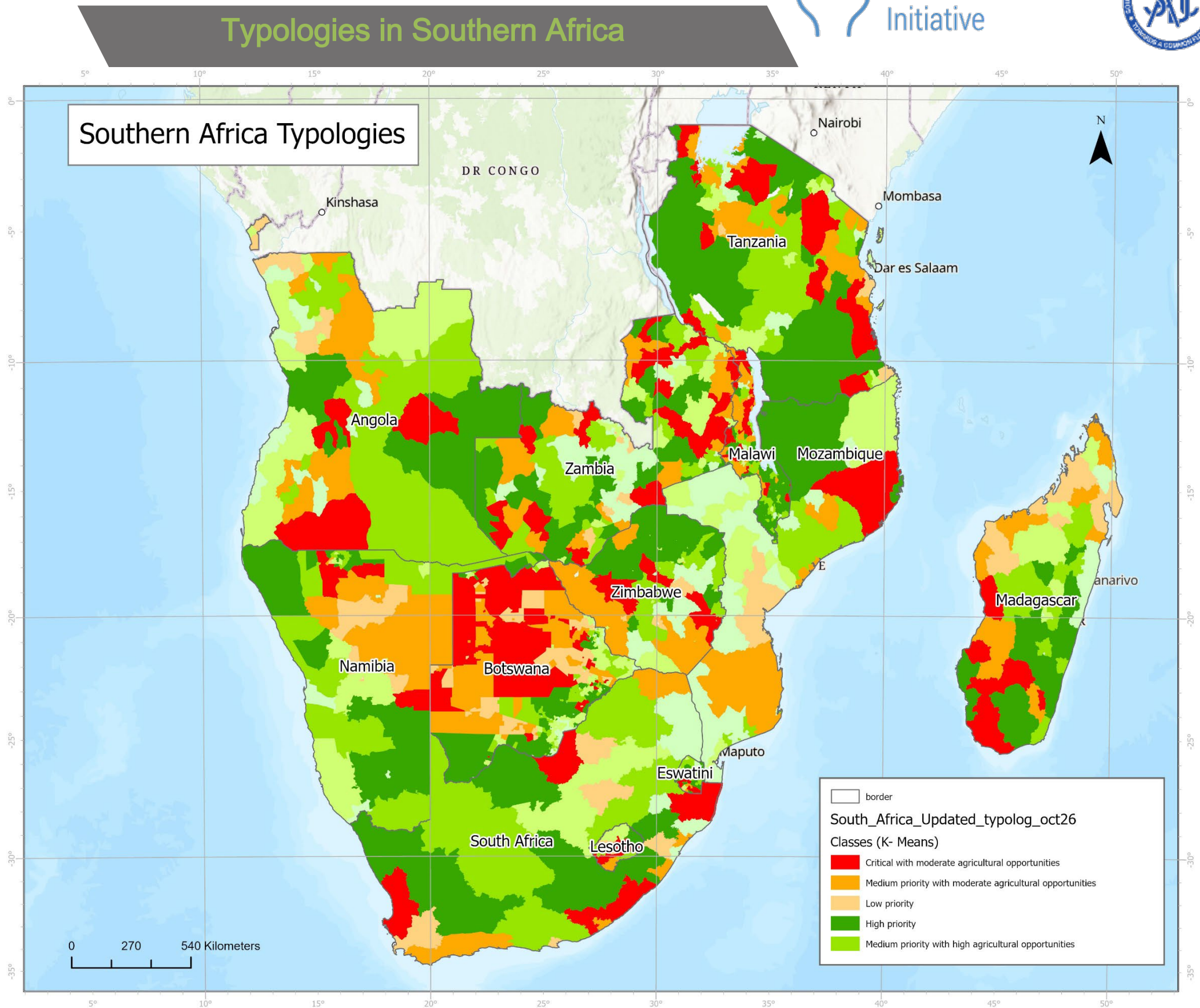
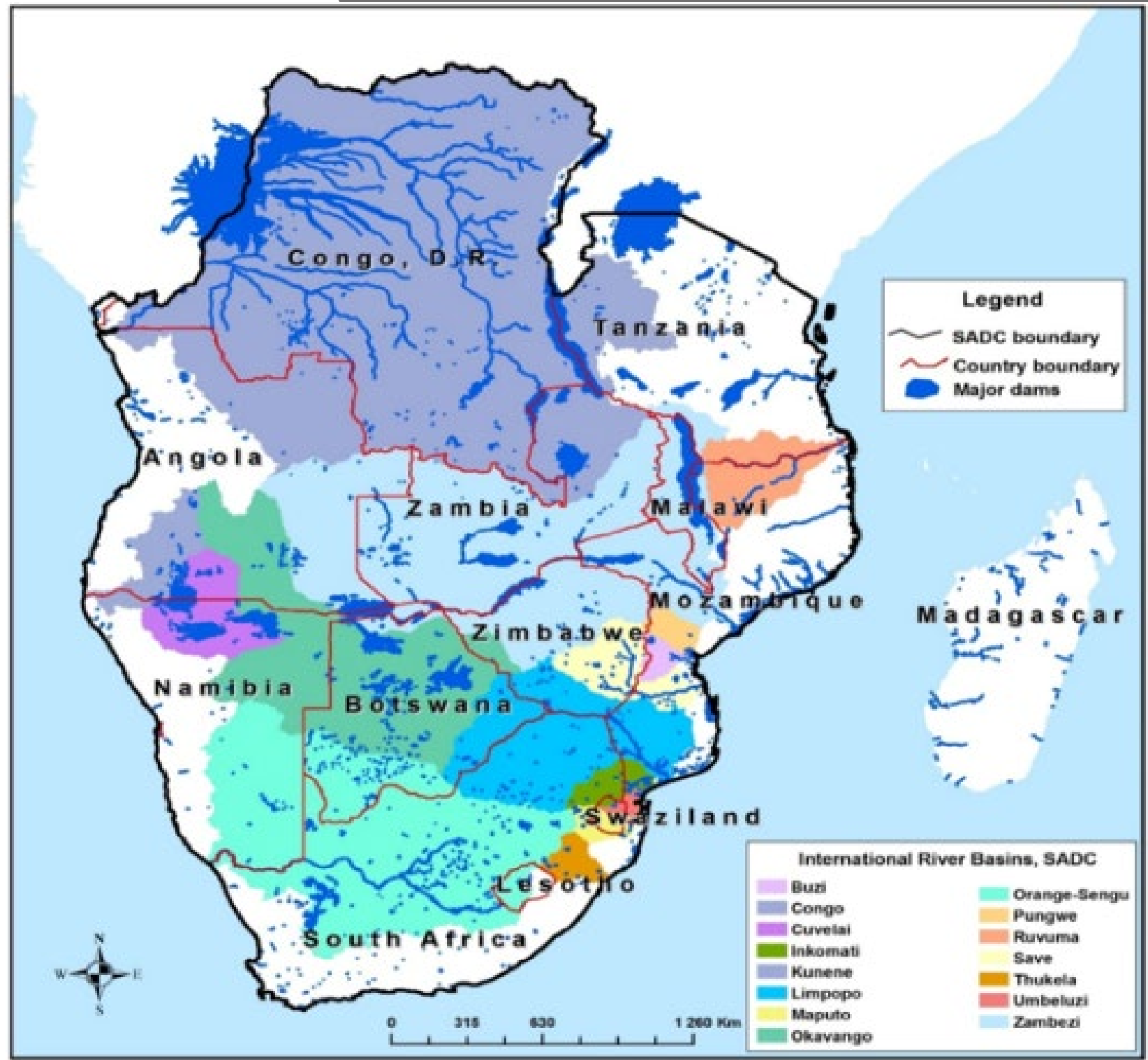
State of Irrigation & Water Management



1

SMALL RESERVOIR FOR IRRIGATION AND IRRIGATION PUMPS

Transboundary river basins and dams



Source: Mabhaudhi et. Al. 2016

1

SMALL RESERVOIR FOR IRRIGATION AND IRRIGATION PUMPS

Subsector Narrative

Infrastructure gap – Lack of adequate irrigation infrastructure in SADC region

Low productivity – Yields are significantly below global benchmarks

Demand Narrative

Demand for all products (except soya bean) is greater than current levels of supply from local production. Productivity enhancing measures such as irrigation will reduce/remove the deficit



Average production = 2.86 million MT
SADC average yield = 3.3 MT/Ha
Global average yield = 3.34 MT/Ha



Average production = 370,000 MT
SADC average yield = 1.1 MT/Ha
Global average yield = 1.3 MT/Ha

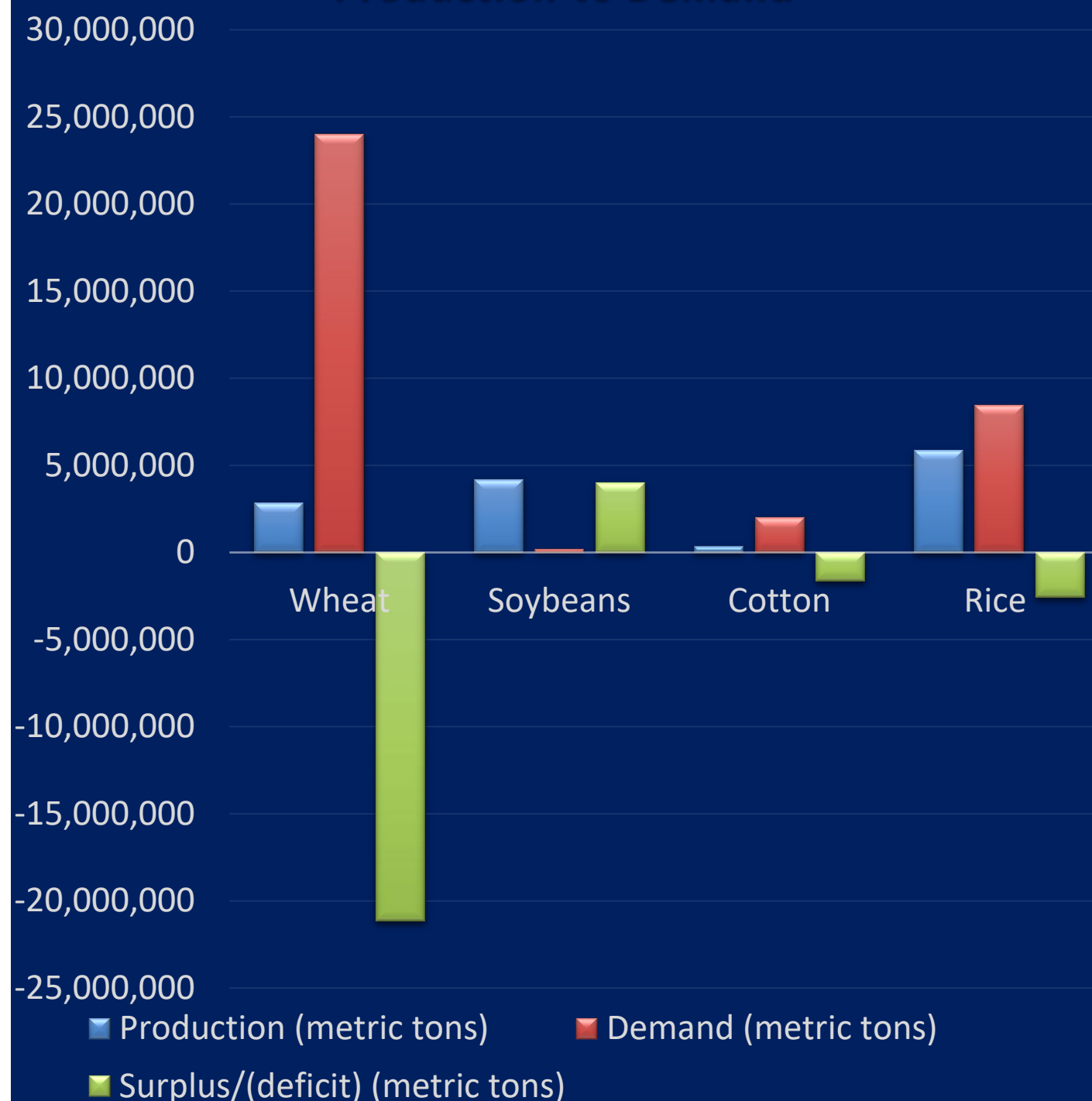


Average production = 4.19 million MT
SADC average yield = 1.5 MT/Ha
Global average yield = 2.86 MT/Ha



Average production = 5.86 million MT
SADC average yield = 2 MT/Ha
Global average Yield = 4.6 MT/Ha

Production vs Demand



MAJOR PRODUCTION COUNTRIES

Wheat

South Africa, Zambia, Zimbabwe, and Tanzania.

Cotton

Zimbabwe, Tanzania & Mozambique
Cotton is high potential value though it's the weakest value chain.

Soybeans

South Africa, Zambia, Malawi & Mozambique

Rice

Malawi, Mozambique, Zambia and Madagascar

1

SMALL RESERVOIR FOR IRRIGATION AND IRRIGATION PUMPS

Targeted products

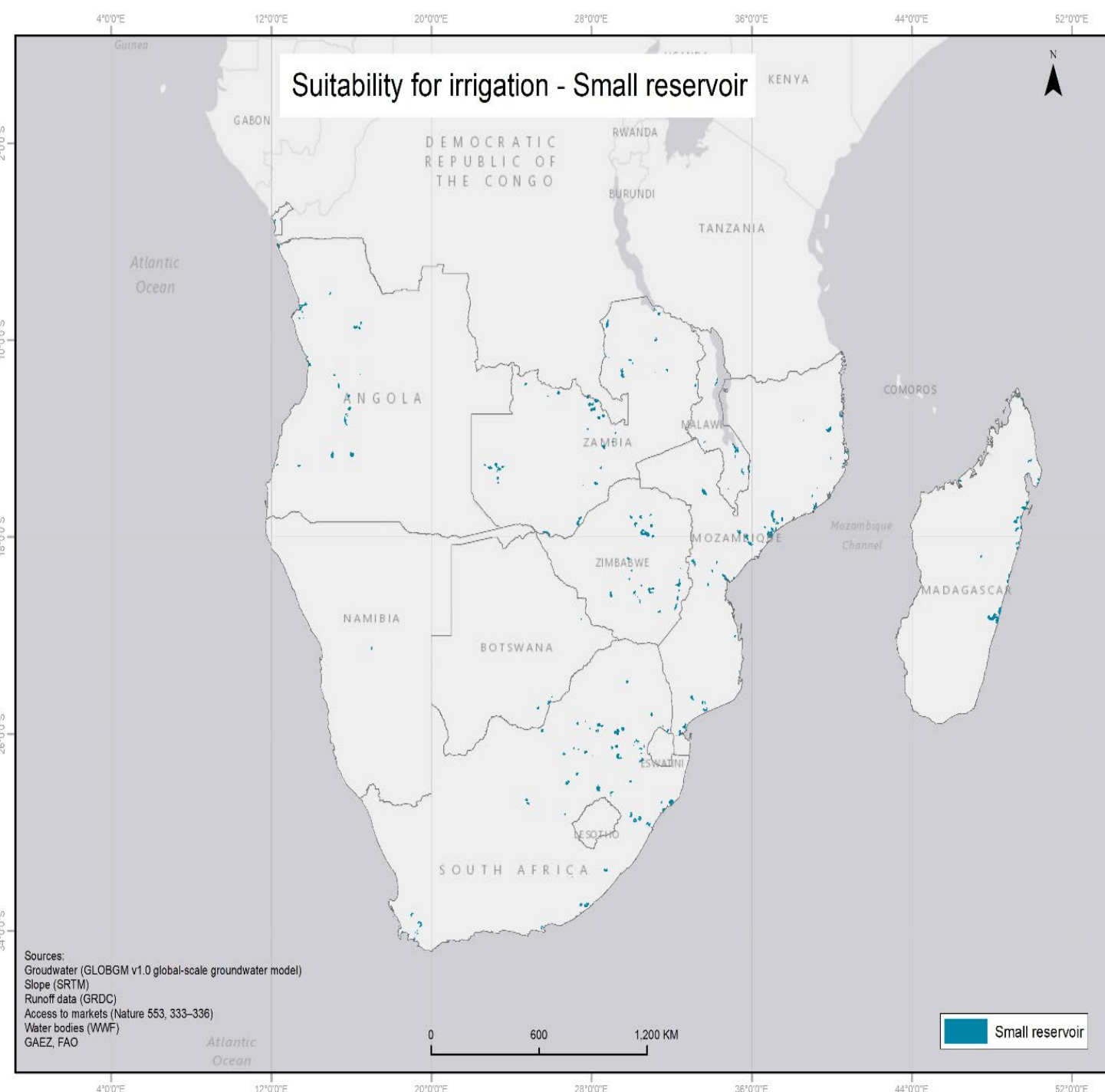


1a

SMALL
RESERVOIRS
AND SOLAR
PUMPS

Mozambique ,
Malawi,
Angola and
Madagascar
have more
surface water
available
through river
runoff.

Invest in
reservoirs
and solar
pumps



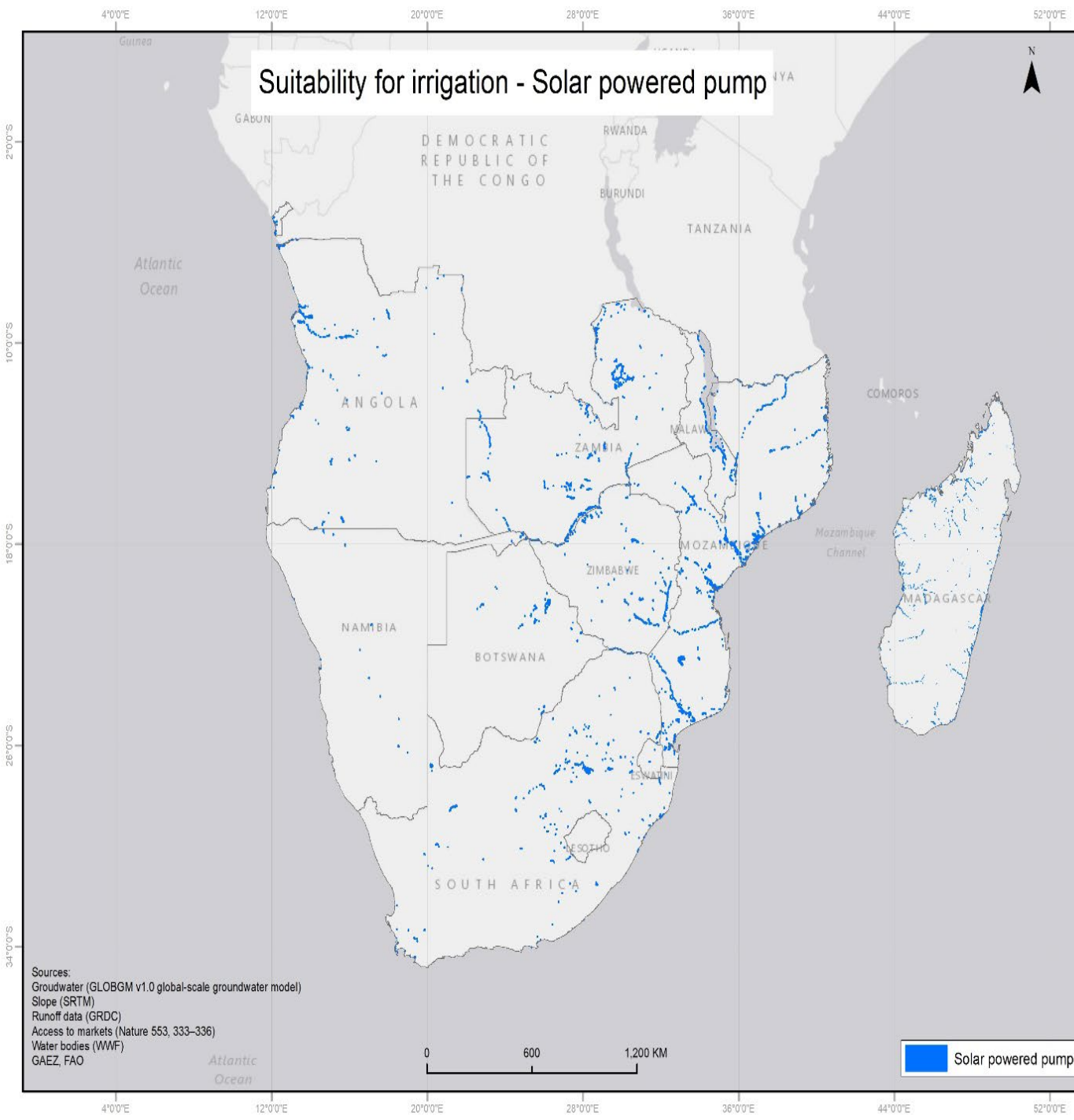
Suitability for irrigation - Solar powered pump

1b

SOLAR
PUMPS

Madagascar, South
Africa, Zambia, and
Zimbabwe have
abundant sunshine
and high solar
radiation levels.
Zambia and
Zimbabwe alone
utilize 7.9% of the
stored water.

Invest in
solar
pumps



Angola 11,058 Ha | Soybean and Rice
Malawi 5,687 Ha | Rice
Mozambique 21,610 Ha | Rice and Cotton
Madagascar 20,609 Ha | Rice and Cotton

South Africa 16,800 Ha | Cotton and wheat
Zambia 23,397 Ha | Soybeans
Zimbabwe 24,962 Ha | Cotton and wheat
Madagascar 23,762 Ha | Cotton and wheat



Key bottlenecks

- Unavailability of dedicated State land for irrigation development.
- Inadequate storage capacity for surface water to meet water demands for irrigation
- Limited electricity to power water pumps for irrigation/limited resources to harness sources of renewable energy
- Lack of infrastructure to withdraw stored and ground water for irrigation purposes.
- Inadequate incentives to attract private investment in combating climate change.
- Weak water governance systems
- Weak coordination with River Basin Organizations (RBOs) for basin-level allocation, planning, and enforcement.

Key investment needed

- Land (150,086 hectares) set aside in seven (7) countries (USD 180.35 M) – Government
- Develop improved shallow irrigation systems - with solar powered irrigation pumps and small reservoirs (USD 151.15 M) – private sector
- Purchase of irrigation equipment (including solar pumps, fenced enclosure, drip irrigation kits and accessories (USD 87 M) – private sector
- Establishment of Regional Agriculture Development Fund – to provide smart subsidy to encourage participation of the private sector (USD 82.8 M) – Government
- Develop an integrated Water Governance framework at the basin level – (USD 40.92 M) - Government
- Strengthen basin-level coordination and implementation with River Basin Organizations (RBOs) (joint planning, allocation rules, data sharing, compliance).

Risks and Mitigation

- **Depressed uptake.**
 - ✓ Introduce smart subsidies to encourage participation of the private sector.
- **Competition for water resources use**
 - ✓ Promote participatory approaches for water governance, including structured collaboration with River Basin Organizations (RBOs) at basin level.
- **Climate change effects may create water shortages**
 - ✓ Develop mechanism for water recharging
- **Enhanced irrigation activities may deplete scarce water sources.,**
 - ✓ Develop adequate capacities to manage irrigation schemes and ensure adequate water resources governance/management

1

SMALL RESERVOIR FOR IRRIGATION AND IRRIGATION PUMPS

Aggregate Profitability Indicators



1a

SMALL RESERVOIRS AND SOLAR PUMPS

Aggregate Profitability Indicators

Investment Outlay

Internal Rate of
Return(IRR)

Net Present Value(NPV)

323.14 million USD over
five years

(20-year): 16.02%

USD 143.78 million

Social- Economic Indicators

Direct Beneficiaries

Indirect Beneficiaries

Income Increase Per
Capita

130,247

467,435

USD 120

Angola

11,058 Ha
Investment \$43.34 M
NPV \$19.29M
IRR 16.65%
Direct Beneficiaries
40,000
Indirect
Beneficiaries
130,225

Malawi

5,687 Ha
Investment \$64.8 M
NPV \$ 28.84 M
IRR 18.33%
Direct Beneficiaries
25,400
Indirect
beneficiaries
93,000

Mozambique

21,610 Ha
Investment \$110 M
NPV \$ 48.96 M
IRR 14.90%
Direct Beneficiaries
33,192
Indirect
Beneficiaries
125,000

Madagascar

20,609 Ha
Investment \$ 105 M
NPV \$ 46.69 M
IRR 14.21 %
Direct Beneficiaries
31,655
Indirect
Beneficiaries
119,210

1b

SOLAR PUMPS

Aggregate Profitability Indicators

Investment Outlay

Internal Rate of
Return(IRR)

Net Present Value(NPV)

USD 219.08 million over
five years

(20-year): 23.72%

USD 164.72 million

Social- Economic Indicators

Direct Beneficiaries

Indirect Beneficiaries

Income Increase Per
Capita

96,050

196,341

USD 411

South Africa

16,800 Ha
Investment \$ 53.8 M
NPV \$ 40.45M
IRR 23.50%
Direct Beneficiaries
23,028
Indirect
beneficiaries 48,000

Zambia

23,397 Ha
Investment \$ 94.15 M
NPV \$ 70.79 M
IRR 23.67%
Direct Beneficiaries
24,500
Indirect Beneficiaries
44,401

Zimbabwe

24,962 Ha
Investment \$36.44 M
NPV \$ 27.40 M
IRR 24.45%
Direct Beneficiaries
25,200
Indirect beneficiaries
53,250

Madagascar

23,762 Ha
Investment \$34.69 M
NPV 26.08 M
IRR 23.27%
Direct Beneficiaries
23,322
Indirect beneficiaries
50.690

2

MECHANIZATION HIRE SERVICE HUBS

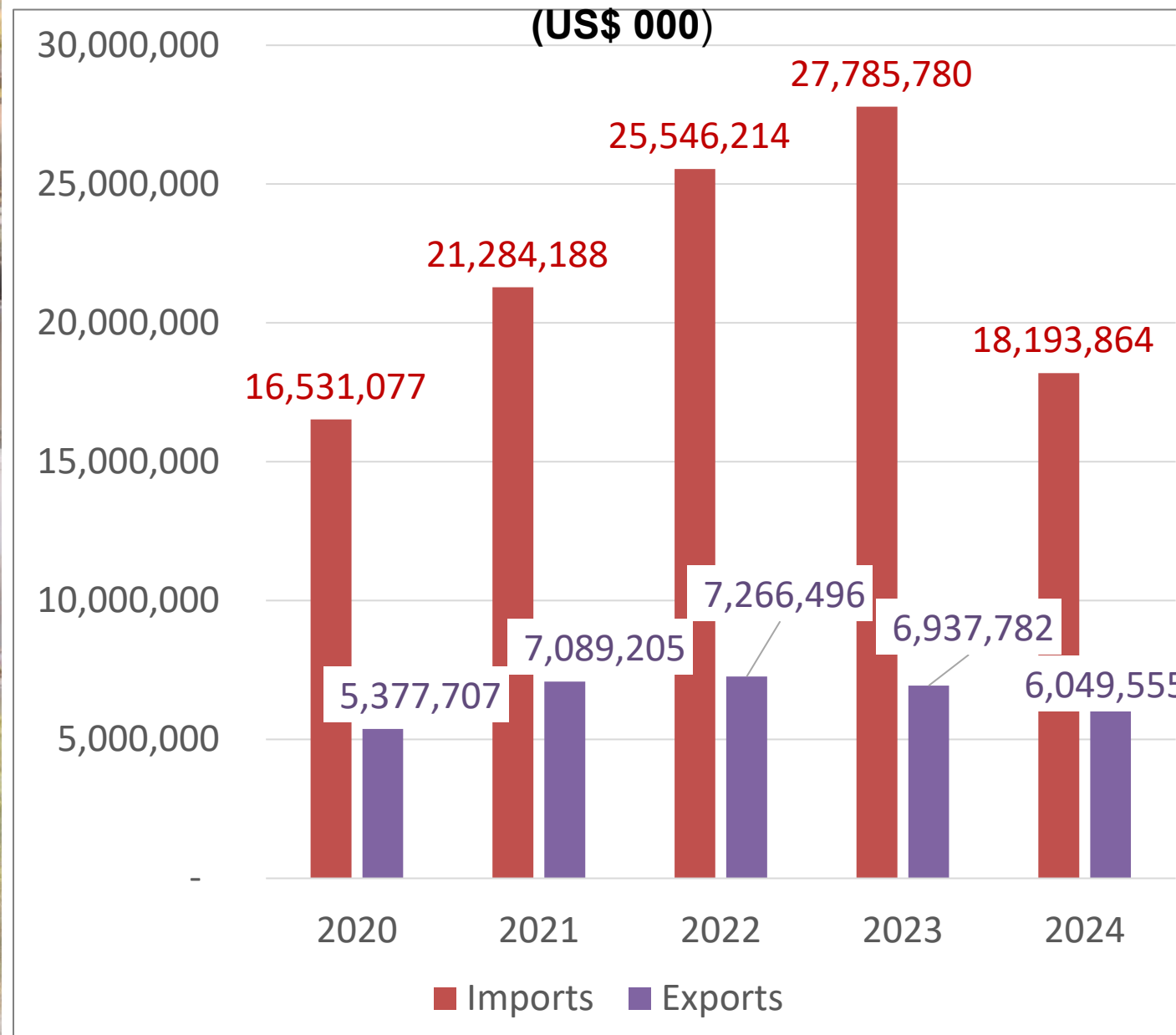


Current situation

- SADC is a net importer of farm machinery
- There is limited custom -designed machinery for small -scale farmers.

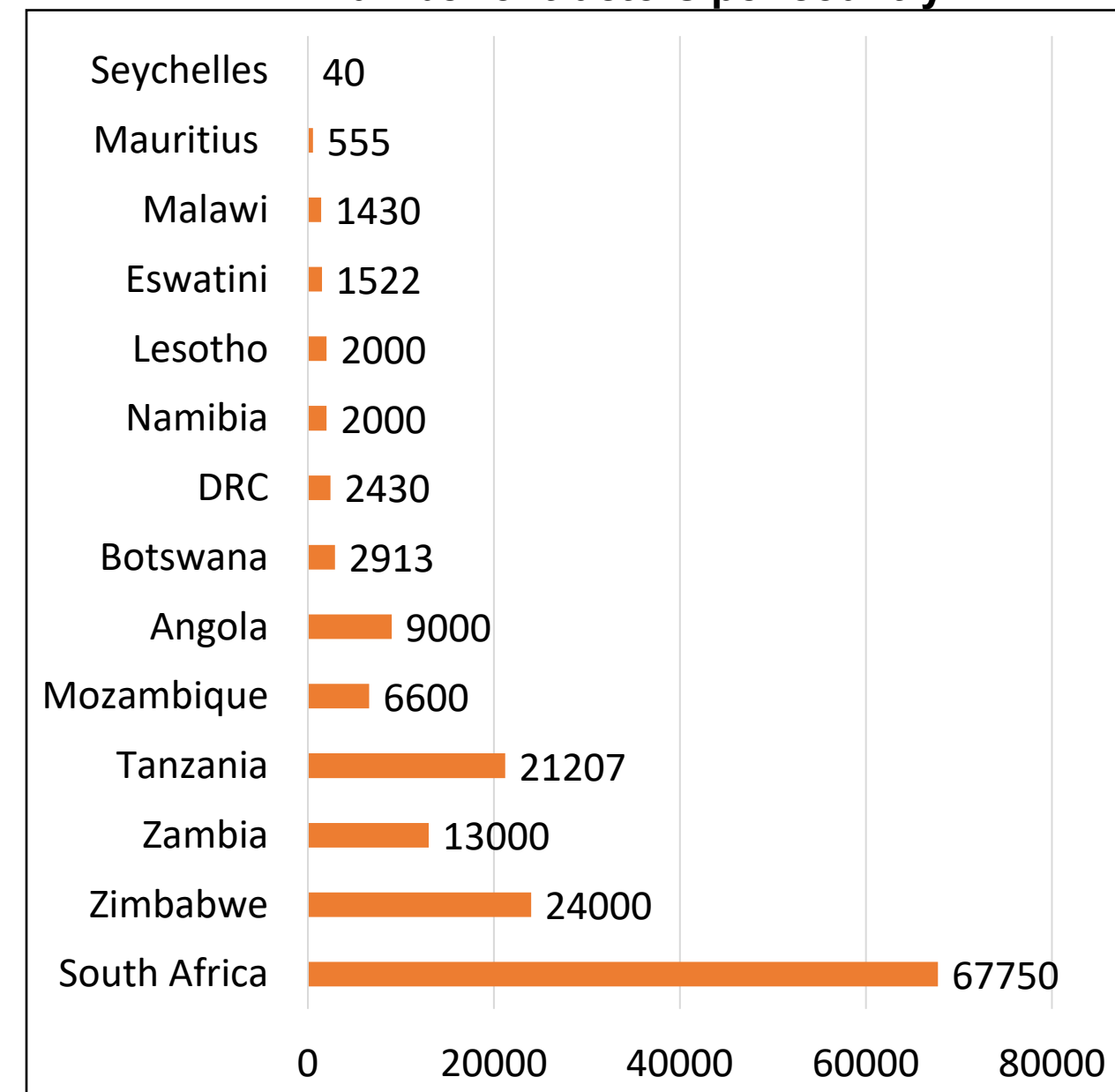
- SADC region has approximately 154,447 tractors
- So far, only South Africa has invested substantial amounts in agricultural machinery and equipment.
- 147 million hectares are arable and 54 million hectares being farmed
- 350 hectares per tractor

SADC regional imports and exports of machinery and equipment



Source: Trade Map Database 2025: HS Code 84

Number of tractors per country



Source: FAO, Sustainable Agricultural Mechanization, 2018

2

MECHANIZATION HIRE SERVICE HUBS

Specific investment needed

Introduce decentralized mechanization hubs in rural high production areas that offer machinery hiring services .

Diversified machinery acquisition (large tractors to smallholder -friendly tools)

Inclusive service provision (targeting all farmer categories) .

Promotion of equipment rental models to enhance affordability and accessibility .

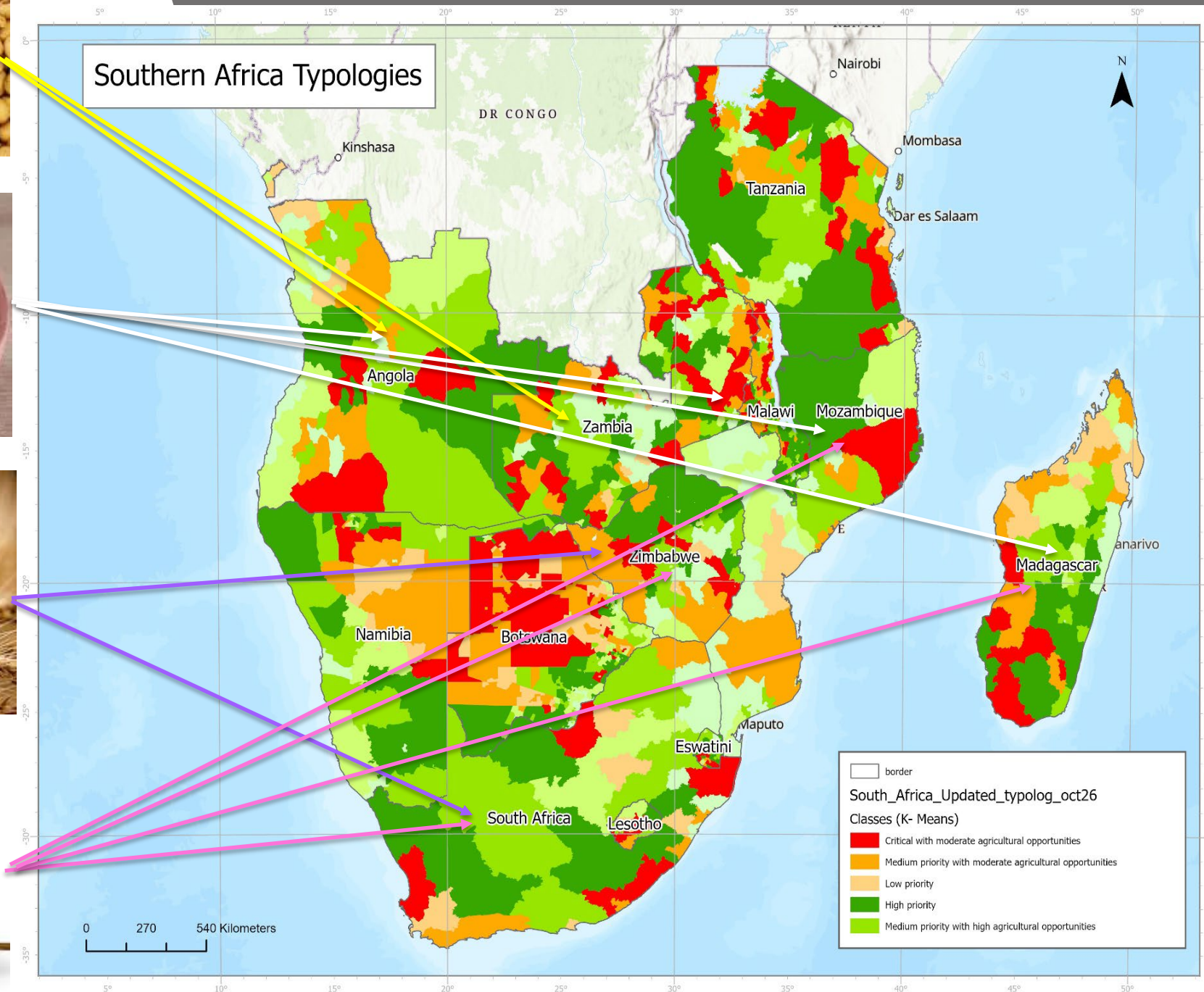
Investment location

Seven (7) Regional Mechanization Centres .

One (1) for each priority value chain in the target countries .



Investment locations based on production areas



Source: FAO HiH-GIS team

Soyabean (Zambia and Angola)
Rice (Angola, Malawi, Mozambique and Madagascar) ;
Wheat (South Africa and Zimbabwe) ;
Cotton (Mozambique, South Africa, Zimbabwe and Madagascar)

Key bottlenecks

- Smallholder farmers have limited access to mechanized equipment and services
- Low numbers of mechanization equipment in SADC countries to service all classes of farmers
- Smallholder farmers have limited knowledge of equipment hiring business model
- High cost of machinery ownership and maintenance

Key investment needed

- Land (USD 26.00 M) - governments
- Construction of 7 mechanization centres (USD 125 M) – government
- Procure tractors and tractor implements (USD 119.28 M) - private sector
- Technical support and after sales service (USD 1.25 M) - private sector
- Technical support on climate smart agriculture techniques (USD 1.12 M) – private sector
- Set up a Regional Agriculture Development Fund - to provide an innovative financing mechanism for smallholder farmers (USD 9.86 M) – Government
- Marketing efforts to promote local demand (USD 0.52 M) - private sector

Risks and Mitigation

- **Low real/effective demand**
 - ✓ Government subsidies to stimulate demand-financing mechanism
- **Low agricultural activity due to climate change**
 - ✓ Incorporate mechanized climate smart agriculture techniques
- **Market demand fluctuations due to seasonality of farm operations (when production is limited to rainy season)**
 - ✓ Diversify services for different agricultural crops all year round
 - ✓ Irrigation investment to support production all year round
- **Macro-economic instabilities in targeted countries**
 - ✓ Investment Guarantee in Special Economic Zones

Aggregate Profitability Indicators

Investment Outlay	Internal Rate of Return (IRR)	Net Present Value(NPV)
USD 283.01 million	17.95%	USD 138.42 million
Social - Economic Indicators		
Governments Contribution	Direct Beneficiaries	Income Increase Per Capita
USD 160.86 million	495,134	USD 435
	Indirect Beneficiaries	Co2e sequestration
	1,788,995	41,896 MT/Year

Angola

Investment \$40.43 million
NPV \$ 21.71 million
IRR 17.93%
Direct Beneficiaries 71,026
Indirect Beneficiaries 263,040

Madagascar

Investment \$ 40.43 million
NPV \$ 19.85 million
IRR 17.75%
Direct Beneficiaries 68,973
Indirect Beneficiaries 210,511

Malawi

Investment \$ 40.43 million
NPV \$ 18.31 million
IRR 16.25%
Direct Beneficiaries 68,365
Indirect beneficiaries 268,400

Mozambique

Investment \$ 40.43 million
NPV \$ 18.20 million
IRR 15.24%
Direct Beneficiaries 65,350
Indirect Beneficiaries 276,244

South Africa

Investment \$ 40.43 million
NPV \$ 22.26 million
IRR 19.20%
Direct Beneficiaries 74,200
Indirect beneficiaries 269,300

Zambia

Investment \$ 40.43 million
NPV \$ 17.24 million
IRR 18.50%
Direct Beneficiaries 75,120
Indirect beneficiaries 267,100

Zimbabwe

Investment \$ 40.43 million
NPV \$20.85 million
IRR 20.75%
Direct Beneficiaries 72,100
Indirect Beneficiaries 234,400

3

AGRO -PROCESSING FACILITY

Edible oil, Soya meal, Animal feed for local and export markets

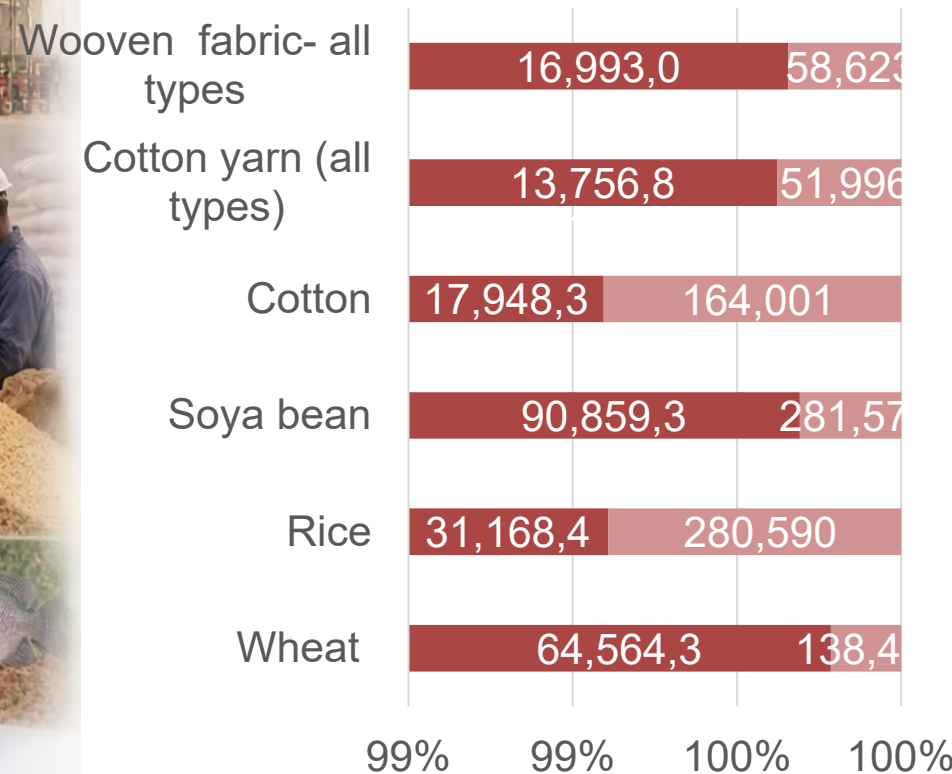
Subsector Narrative

Agro -processing will increase export opportunities for the SADC region.

Demand Narrative

SADC imports huge volumes of products from the rest of the world, compared to intra -regional trade.

SADC exports to rest of the world (USD 000')



■ Global average imports - (US\$ 000)
■ SADC exports (USD 000')

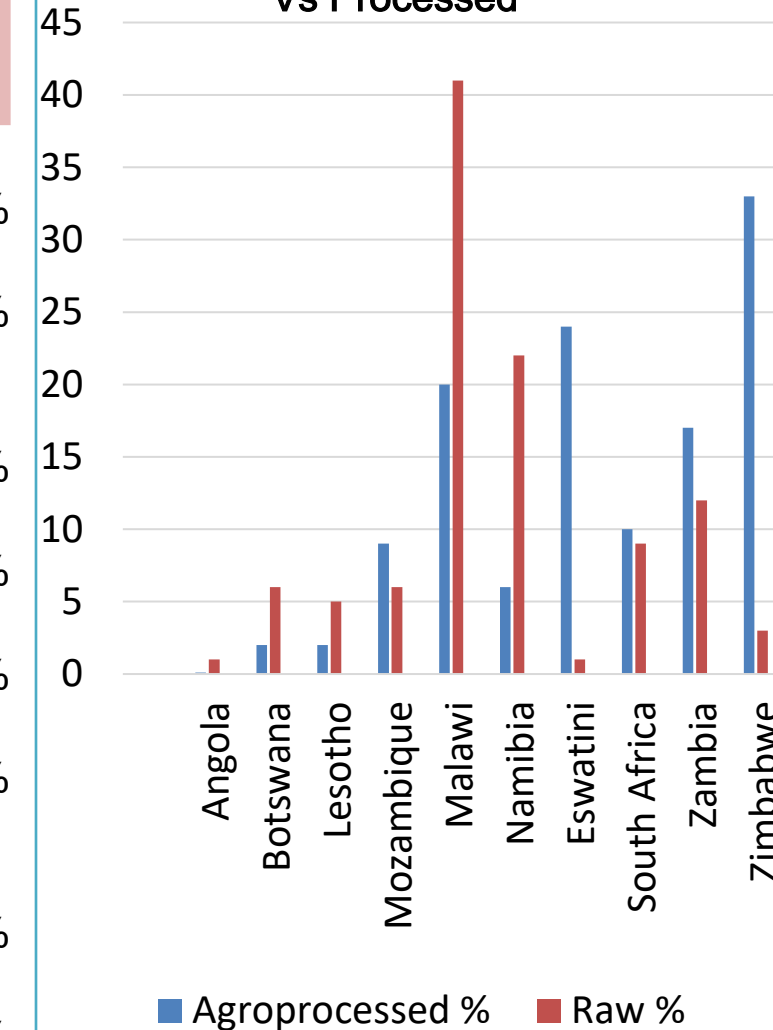
Source: ITC-TradeMap Database 2025

SADC imports by source - annual averages (USD 000')

Commodity	Imports from rest of the world	Imports from SADC	SADC proportion (%)
Rice	1,388,458	105,956	8%
Wheat	1,885,980	177,355	9%
Cotton-not combed or carded	98,256	51,780	53%
Wooven fabric	290,745	50,222	17%
Cotton yarn	239,368	29,756	12%
Cotton waste	2,434	330	14%
Cotton yarn (for retail sale)	50,012	7,001	12%
Soya bean	89,708	113,656	126.7%

Sources: FAOSTAT, 2025 ; SADC Secretariat, 2024

Agricultural Exports of Raw Vs Processed



Source: Agro -processing, value chains and Regional Integration in Southern Africa 2020
Anthony Black, Lawrence Edwards, Ruth Gorven, and Willard Mapulanga

3

AGRO -PROCESSING FACILITY for local and export markets



Investment description

Introduce processing hubs at strategic locations in areas with high production potential .

Four (4) Special Processing Zones (SPZs) established in corridors or areas with processing facilities with potential for expansion .

Soyabean (Zambia and Zimbabwe) Oil expression and stock feed

Rice (Malawi, Mozambique and Madagascar)

Wheat (Namibia and Botswana)

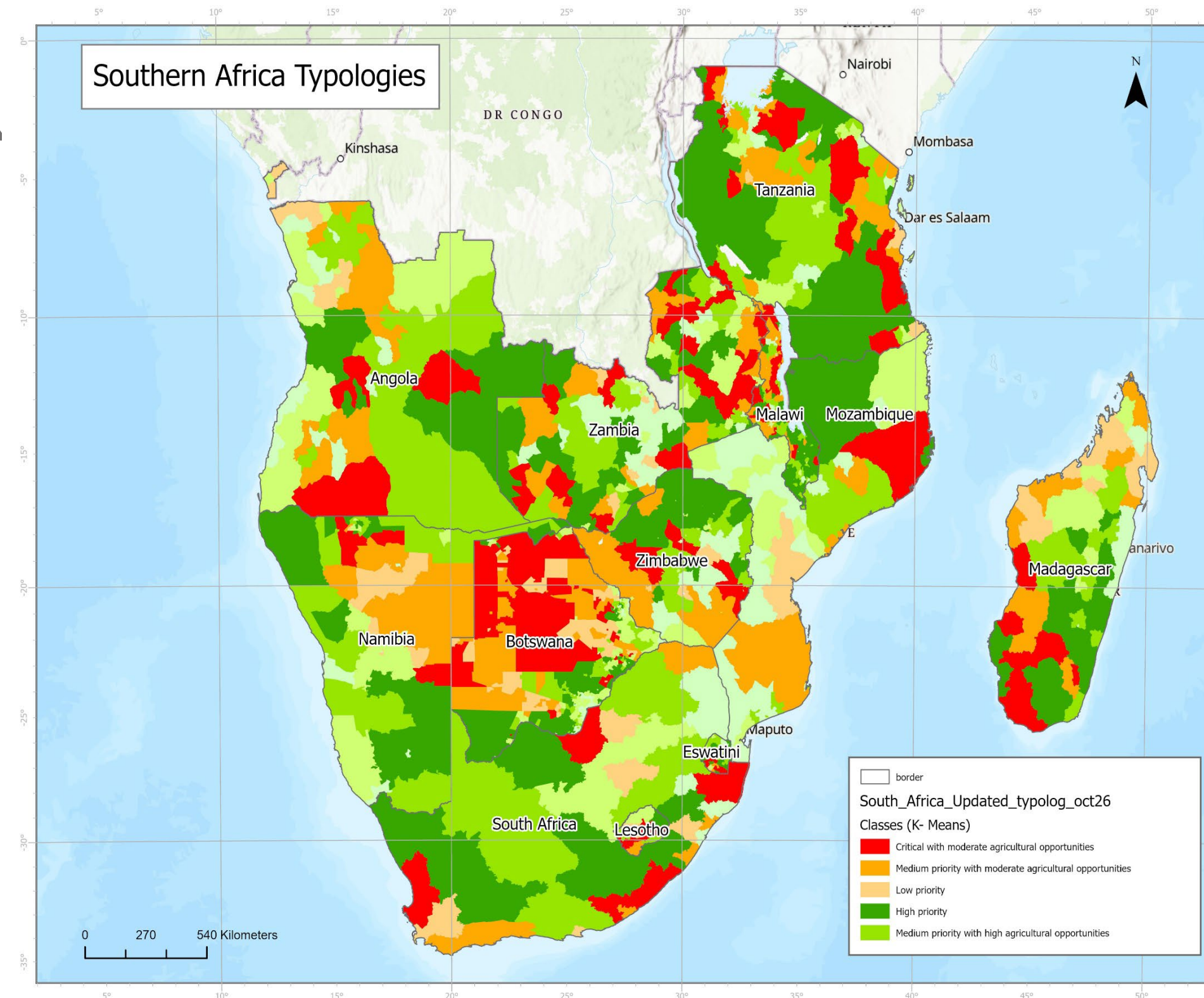
Cotton (Eswatini, Lesotho and Madagascar)

The SPZs are essentially customs -free areas designed to attract foreign investment and boost exports .

Businesses can import materials and machinery, process them, and export the finished goods without paying import duties or tariffs .

Targeted products

Edible oil, soya meal, processed rice, wheat flour, animal feed, cotton lint, yarn, and fiber - for domestic and export markets .



Source: FAO HiH-GIS team

Key bottlenecks

- Limited production techniques & low management skills
- Inadequate raw material for processing throughout the year (e.g cotton lint)
- Significant transportation cost of produce from production areas to processing units and markets
- Lack of modern quality control and certification in infrastructure
- Limited marketing and branding efforts

Key investment needed

- Land for the investment facility (USD 12.00 M) - governments
- Infrastructure development of four (4) Special Processing Zones (USD 40.60 M) – government
- Establish climate smart, cost-effective food processing facility- (USD 180 M) – private sector
- Establish an Integrated Textile and Apparel Plant –(USD 95 M) – private sector
- Transport and storage infrastructure (USD 18.25M) – private sector
- Establish a Regional Agriculture Fund- specifically to guarantee the financing of technological improvement, manpower development etc. (USD 30.50 M) – Governments and private sector
- Out grower production system (USD 15.50 M) – private sector
- Digital marketing system & collective marketing (USD 3.8M) – private sector
- Establish accredited laboratory (USD 16.50 M) – government
- Deploy internationally accredited certified agents - USD 2.22 M – private sector

Risks and Mitigation

- **Supply of raw materials**
 - ✓ Mobilize critical mass of raw materials from farmers & cooperatives, bulk purchasing through out grower schemes
 - ✓ Enhanced access to diversified raw material sources
 - ✓ Establish a revolving “Buffer Stock Fund”
- **Market linkages and price volatility**
 - ✓ Promote digital marketing system
- **Quality control and certification in infrastructure**
 - ✓ Enforce quality standards & strengthen certification system



AGRO -PROCESSING FACILITY for local and export markets

Aggregate Profitability Indicators

Cotton Lint, Yarn and Fiber

Eswatini

Investment \$45.6 M
NPV \$21.20 M
IRR 18.2%
Direct Beneficiaries 55,000
Indirect Beneficiaries 160,000

Lesotho

Investment \$ 45.6 M
NPV \$ 20.50 M
IRR 15.40%
Direct Beneficiaries 75,000
Indirect Beneficiaries 136,000

Madagascar

Investment \$45.6 M
NPV \$ 15.96 M
IRR 11.95%
Direct Beneficiaries 91,000
Indirect Beneficiaries 195,579

Edible Oil, Soya Meal, Animal feed

Zambia

Investment \$ 47.34 M
NPV \$ 23.23 M
IRR 21%
Direct Beneficiaries 115,000
Indirect Beneficiaries 420,000

Zimbabwe

Investment \$ 48.23 M
NPV \$ 23.57 M
IRR 17.0 %
Direct Beneficiaries 129,000
Indirect Beneficiaries 440,000

Aggregate Profitability Indicators		
Investment Outlay	Internal Rate of Return (IRR)	Net Present Value(NPV)
USD414.37 million	15.93%	USD 193.46 million
Governments contribution		
USD 99.60 million		
Socio - Economic Indicators		
Direct Beneficiaries	Indirect Beneficiaries	Income Increase Per Capita
925,000	2.74 M	USD 115
Co2e sequestration		
227,480 MT/Year		

Processed rice

Malawi

Investment \$ 36.4 M
NPV \$ 17.86 M
IRR 14.56 %
Direct Beneficiaries 96,000
Indirect Beneficiaries 349,000

Mozambique

Investment \$ 36.4 M
NPV \$ 18.24 M
IRR 15.7%
Direct Beneficiaries 100,000
Indirect Beneficiaries 350,000

Madagascar

Investment \$ 36.4 M
NPV \$ 15.24M
IRR 13.11%
Direct Beneficiaries 84,000
Indirect Beneficiaries 293,269

Wheat flour

Botswana

Investment 36.4 M
NPV \$ 19.88 M
IRR 15.9 %
Direct Beneficiaries 115,000
Indirect Beneficiaries 245,000

Namibia

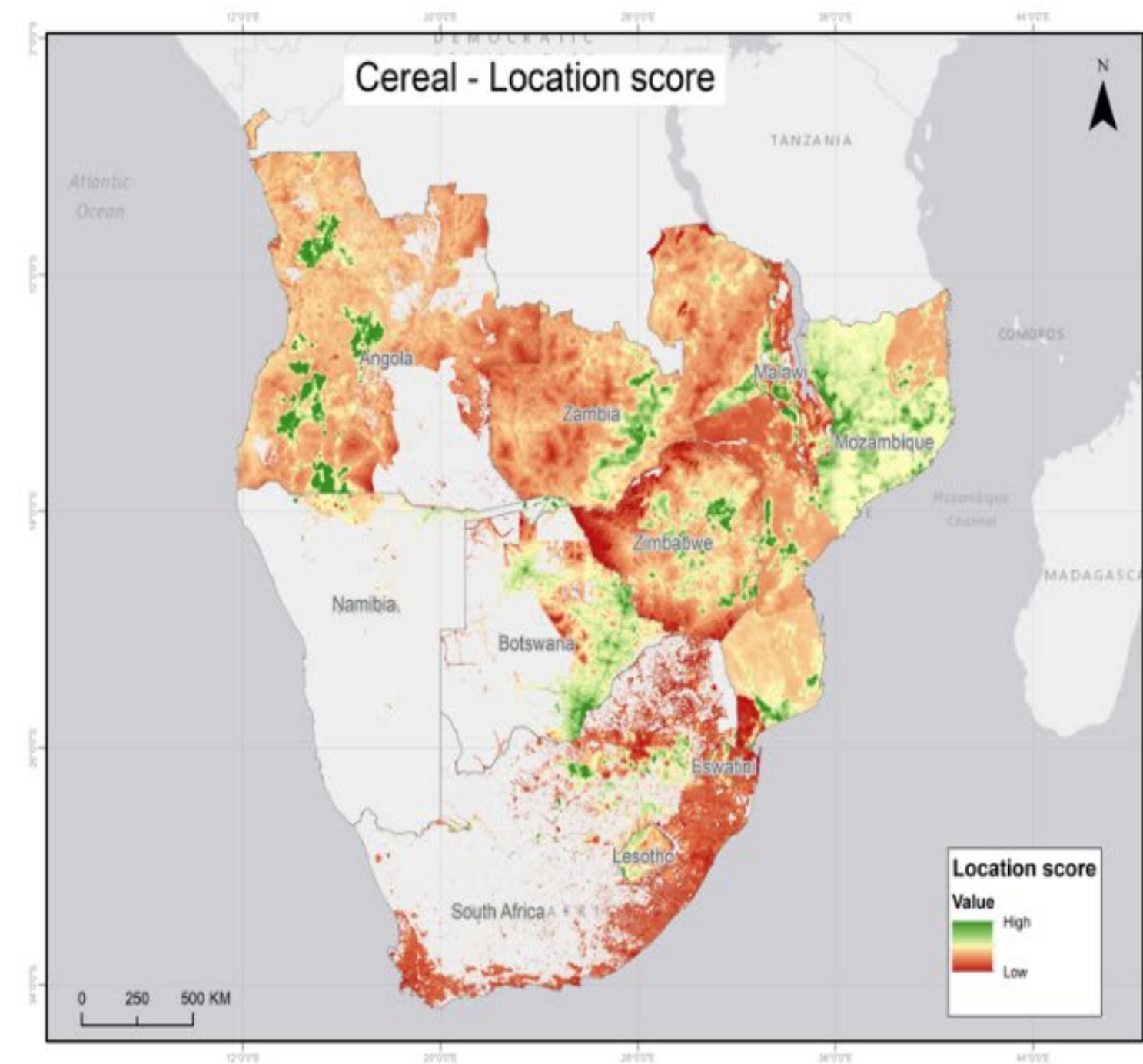
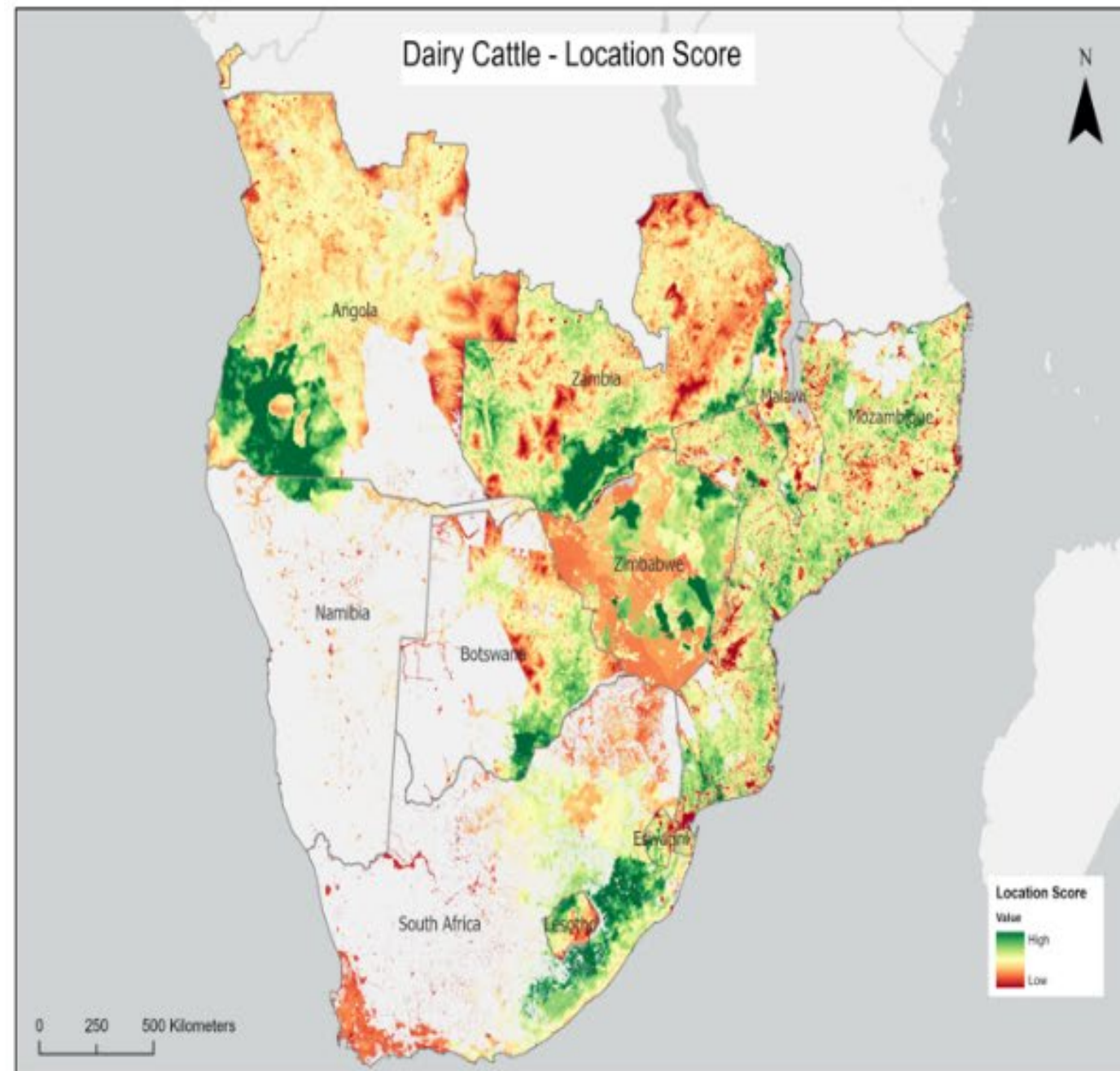
Investment \$ 36.4 M
NPV \$ 17.78 M
IRR 16.5 %
Direct Beneficiaries 65,000
Indirect Beneficiaries 150,000



4

MARKET INTEGRATION AND TRADE

Candidate locations for markets and supporting facilities



Source: FAO HiH-GIS team

4

MARKET INTEGRATION AND TRADE

Potential

- ✓ Increase intra -regional trade of agricultural products due to differences in comparatives advantages.
- ✓ Increase integration in global value chains
- ✓ Optimize benefits from AfCFTA

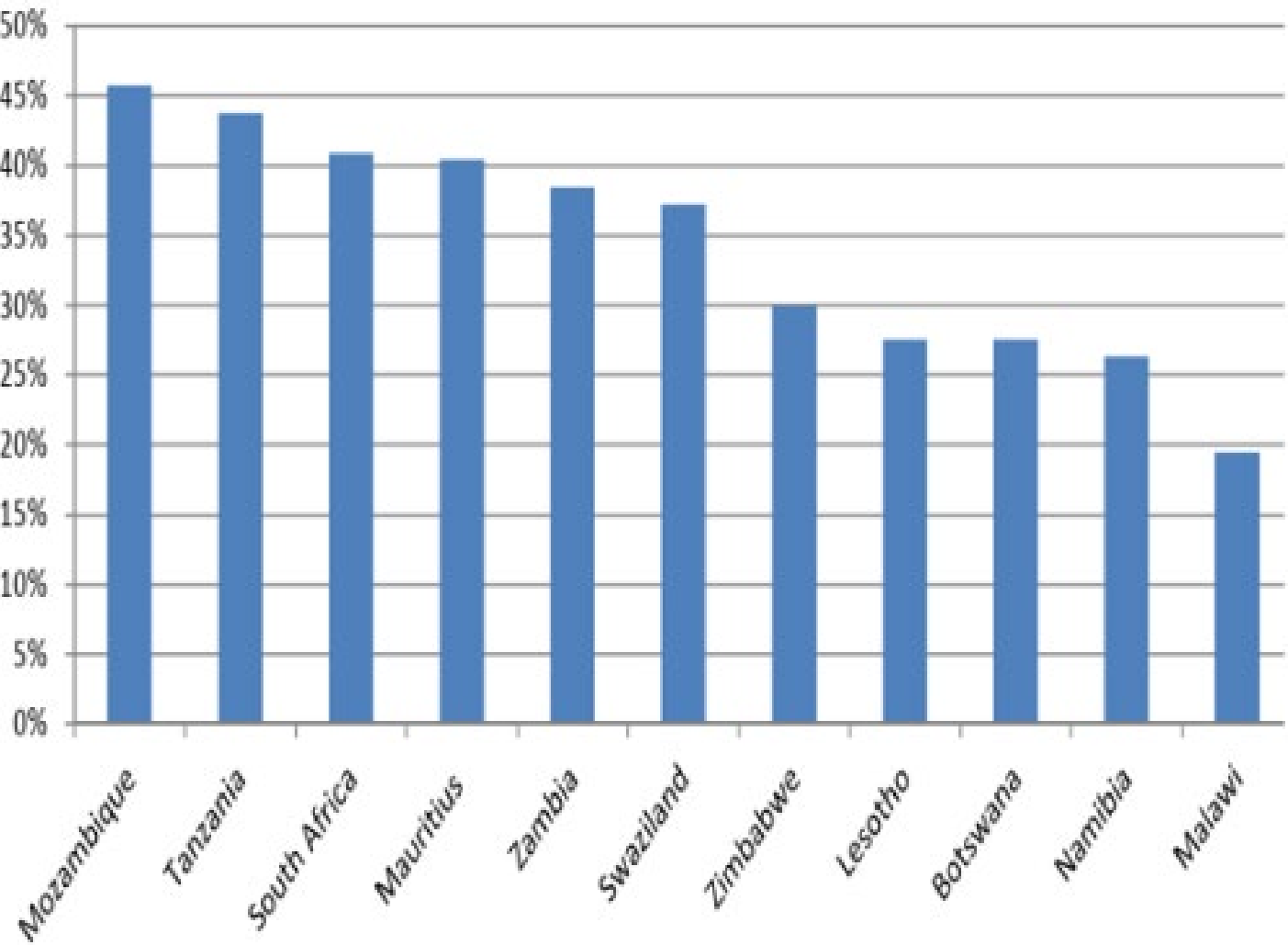
★ High import and export tariffs on agricultural products

Region/ country	Average import duty	Average export duty
Africa	19.58	9.86
SADC	13.56	12.48
Angola	6.9	7.9
Botswana	12.9	9.3
Eswatini	13.4	9.3
Lesotho	12.6	9.3
Madagascar	5.4	10.7
Malawi	15.2	14
Mozambique	12.9	10.6
Namibia	13.2	9.3
South Africa	13.9	12.8
Zambia	13.1	15.9
Zimbabwe	11.3	19.4

Source: IFPRI, 2017

★ High Non -tariff measures

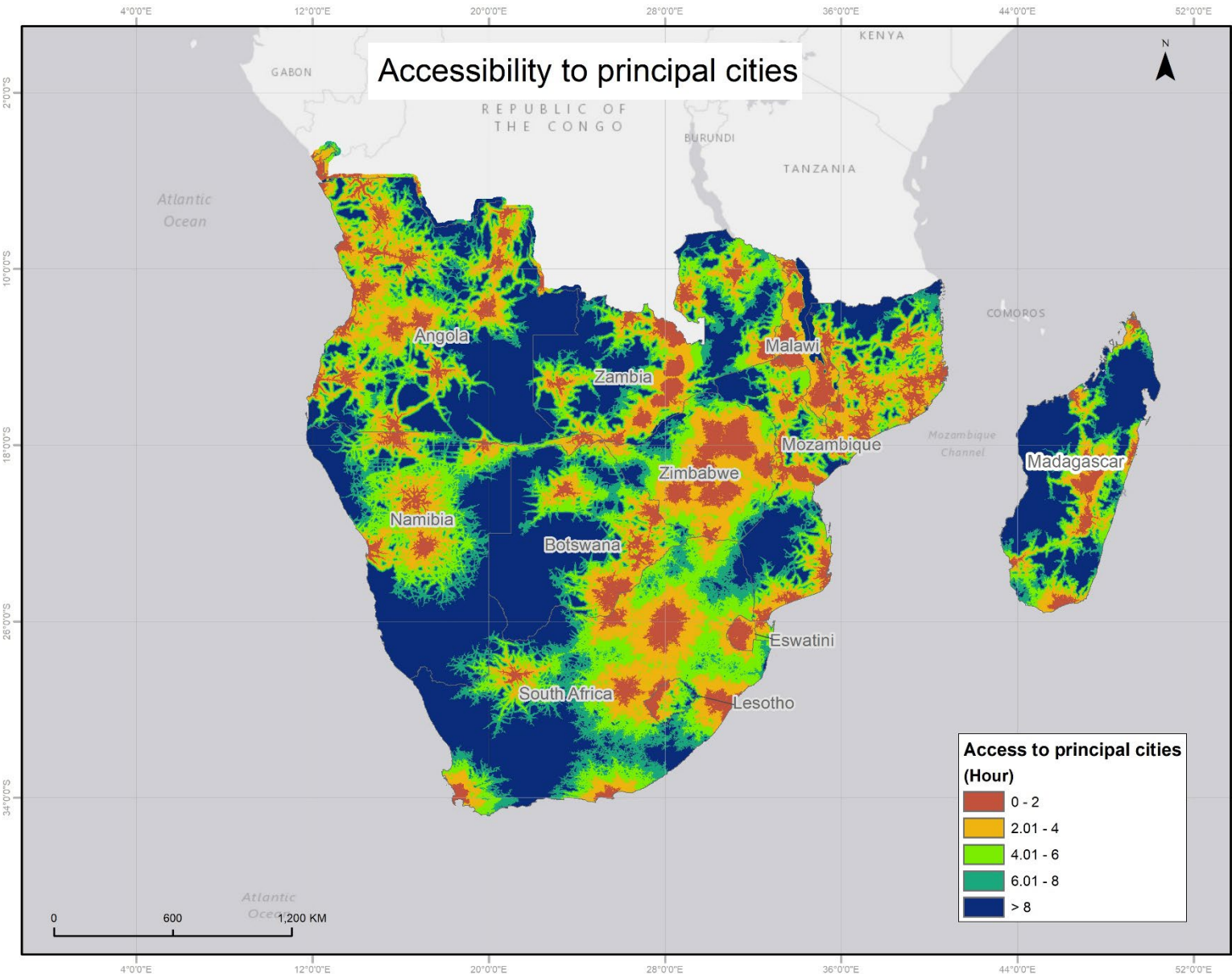
NTM Coverage of Agricultural products



Source: Kalaba, M., & Kirsten, J. (2012).

★ Border costs and infrastructure

Time to export: Border compliance (hours)*	Time to import: Border compliance (hours)
74	63



Key bottlenecks

- High import and export tariff to agricultural products across regional countries
- Failure to implement the political agenda to remove and lower NTBs, leading to a rate equivalent of 20% in the region
- High customs inefficiency leading to additional trade costs and time spent at the border

Key investment needed

- Establish a single common external tariff to become a customs union. Capitalize on ongoing political efforts to progress under the AfCFTA - (USD 720 M) - Government
- Develop regional policies focusing on the elimination of unnecessary nontariff barriers, under the SADC and SACU framework (USD 75M) – Government
- Comply with SADC core mandate to create OneStop Border Posts (OSBP) and adoption of the Automated System for Customs Data (ASYCUDA) to reform customs clearing procedure and implement the standard nomenclature for traded goods (USD 32 Million) – Government

Risks and Mitigation

- **Supply of raw materials**
Mobilize critical mass of raw materials from farmers & cooperatives, bulk purchasing through outgrower schemes
- **Market linkages and price volatility**
Promote digital marketing system
- **Quality control and certification in infrastructure**
Enforce quality standards & strengthen certification system

4

MARKET INTEGRATION AND TRADE

Aggregate Profitability Indicators

Investment Outlay	Internal Rate of Return (IRR)	Net Present Value(NPV)
USD 827 million	24%	USD 220 million
Social - Economic Indicators		
Direct Beneficiaries	Indirect Beneficiaries	Income Increase Per Capita
6.2 M	37.4 M	USD 35

Additional impacts / benefits

- **50% reduction in tariffs and 80% reduction in non -tariffs measures can increase the region’s GDP by 0.3% (IFPRI 2022)**
- **Reduction of ~4 hours at border represents gains for ~201 million USD for private sector**
- **Extreme poverty reduction in Southern Africa attributable to AfCFTA: ~4 million people (WB, 2020)**
- **Moderate poverty reduction in Southern Africa attributable to AfCFTA: ~9 million people (WB, 2020)**
- **Employment projection in agriculture of 29.8% (WB, 2020)**

Integration in a 3 -phase implementation over 20 years

“Investments” by country

Country	in million \$US	IRR (%)
Angola	46	TBD
Botswana	26	17
Eswatini	28	8
Lesotho	13	17
Madagascar	33	31
Malawi	25	30
Mozambique	55	20
Namibia	40	15
South Africa	447	24
Zambia	49	25
Zimbabwe	65	22
Total	827	

Summary of investment plans

Total Investment: **USD 2.067 Billion**
Government **USD 1.376 Billion**
GAP: 690.6 M

Overall Average IRR: **19.68 percent**
Income Increase Per Capita: **USD 223.2**
Direct Beneficiaries: **7,846,431**
Indirect Beneficiaries: **42,592,771**



Total Co2e sequestration: **282,672 MT/year**

1a

1

1b

2

3

4

Intervention

Public investment into
Community Small reservoirs

Total Investment
USD 323.14M

IRR (%) **16.02%**

NPV **USD 143.78 M**

Sustainability benefits

Direct beneficiaries: 130,247

Indirect beneficiaries:
467,435

Income increase per capita
(USD): 120

Co2e sequestration:
13,101 MT/Year

Intervention

Private sector investment
Solar pumps

Total Investment
USD 219.08 M

IRR (%) **23.72%**

NPV **USD 164.72 M**

Sustainability benefits

Direct beneficiaries:
96,050

Indirect beneficiaries:
196,341

Income increase per
capita (USD): 411

Co2e sequestration:
195 MT/Year

Intervention

Mechanization Hire Service
Hubs

Total Investment
USD 283.01 M

IRR (%) **17.95%**

NPV **USD 138.42 M**

Sustainability benefits

Direct Beneficiaries: 495,134

Indirect Beneficiaries:
1,788,995

Income increase per capita
(USD): 435

Co2e sequestration:
41,896 MT/Year

Intervention

Agro-processing

Total Investment
USD 414.37 M

IRR (%) **16.70%**

NPV **USD 193.46 M**

Sustainability benefits

Direct Beneficiaries: 925,000

Indirect Beneficiaries: 2.74 M

Income increase per capita
(USD): 115

Co2e sequestration:
227,480 MT/Year

Intervention

Market integration and
Trade

Total Investment
USD 827 M

IRR (%) **24%**

NPV **USD 220 M**

Sustainability benefits

Direct Beneficiaries: 6.2 M

Indirect Beneficiaries: 37.4 M

Income increase per capita
(USD): 35