

## AfDB Provides \$70M For Agriculture In Benin

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Law360, New York (January 17, 2014, 3:22 PM ET) -- The African Development Bank will sink 34 billion CFA francs (\$70.4 million) into the agricultural industry of Oueme, Benin, in an effort to improve food security and boost the economy in the fertile valley region, according to a Thursday statement.

The funds, which were provided to the African country last Thursday, were supplied through a \$820,000 donation and a \$61 million loan, the bank group said.

Benin will use the funds to build two regional training centers that will promote agricultural entrepreneurship and encourage the employment of young adults to boost farm productivity and incomes in less developed areas, according to a statement.

The fertile valley region is ripe for agricultural growth, and the financial support is expected to help the people of Oueme overcome economic and social disadvantages by providing them with the knowledge and tools they need to start farming, according to a statement.

Benin Vice President Abu-Saba said in a statement that the project will help foster wealth in the region, as well as "curb regional and social disparities, promote youth employment, and strengthen resilience to climate change."

Oueme is the most fertile valley of Benin and has strong hydro-agricultural potential, the bank group said. With only 30 percent of viable land under use, as many as 2,500 young adults could settle on the land as rice, maize or vegetable farmers, according to a statement.

The AfDB's mission is to encourage sustainable economic growth and reduce poverty throughout the continent. Earlier this month, the bank group's African Water Facility offered a €1.8 million grant to the government of Malawi to expand irrigated agriculture in the Lower Shire Valley. The project is expected to help the country overcome the damaging effect of prolonged droughts and frequent flooding, according to a statement.

Malawi also clinched \$55.27 million in December from the AfDB for the further development of its farming infrastructure, including the rehabilitation of some irrigation, and support for local initiatives and programs on mechanization, real estate security, climate resilience, marketing and literacy, according to a statement.

That same month, the bank group signed off on a total of **\$4.89 billion for its 2014 borrowing program**, which includes \$199.58 million in funds available under the Enhanced Private Sector Assistance Initiative.

The purpose of the borrowing program is to try to raise cost-effective resources to be able to finance clients and maintain liquidity requirements while diversifying its investor base, according to a statement.

"This is because unlike commercial banks, which have the central bank as a lender of last resort, the AfDB has to fully rely on its liquid resources to meet its obligations," it said.

The Enhanced Private Sector Assistance Initiative, or EPSA, is a multicomponent, multidonor framework to create resources and development partnerships to help invigorate the growth of the private sector in Africa, the bank said.

--Editing by Philip Shea.

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