



# COUNCIL

## Hundred and Seventy-second Session

Rome, 24-28 April 2023

### Update on the Hand-in-Hand Initiative

#### Executive summary

This report summarizes recent progress in the implementation of the Hand-in-Hand (HIH) Initiative, with specific reference to:

- a) The ongoing increase in the overall number of HIH countries to 60 as of mid-January 2023. This reflects strong global interest and the need for larger and more ambitious programming by Members, and is close to the planned target of 64.
- b) Based on the success of the HIH Investment Forum (IF), held in October 2022, seven countries are now planning their own national-level HIH investment fora, and one subregional IF is planned in Central and South America.
- c) The investment notes presented at the 2022 HIH IF provided a strong basis for the FAO investment support to the African Union/African Development Bank Dakar 2 Summit Feed Africa: Food Sovereignty and Resilience held on 28-29 January 2023 in Dakar, Senegal.
- d) An updated overview of the HIH progress by Members is available on the HIH website and the online dashboard, as well as an innovative new system for enabling ongoing engagements by investors is now available.

**Suggested action by the Council**

The Council is invited to take note of the progress made on the implementation of the Hand-in-Hand (HIH) Initiative.

In particular, the Council may wish to:

- a) welcome the continued growth in the number of countries participating in the Initiative, with seven additional countries joining the initiative since November 2022 to a total of 60 countries;
- b) recognize the improved HIH website and dashboard, and their function as an effective monitoring tool for providing regular progress for Members; and
- c) underline the incremental need for additional technical support from FAO due to the increased number of HIH Least Developed Countries, Small Island Developing States, and Land-locked Developing Countries, as well as countries in emergency.

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## I. Introduction

1. This report responds to requests by the Council at its 168th Session to provide regular updates on progress and results achieved in the implementation of the Hand-in-Hand (HIH) Initiative.
2. The Director-General announced the Initiative on the sidelines of the UN General Assembly in September 2019. Members meet the criteria if they are Landlocked Developing Countries (LLDCs), Small Island Developing States (SIDS), Least Developed Countries (LDCs), food crisis countries (as defined by the Global Network against Food Crises), or countries with large poor populations.
3. To date, 60 countries have expressed their desire to participate.
  - a. Africa (34): Angola, Burkina Faso, Burundi, Cameroon, Cabo Verde, Central African Republic, Chad, Congo, Djibouti, Eritrea, Eswatini, Ethiopia, Gabon, the Gambia, Guinea, Guinea-Bissau, Kenya, Lesotho, Malawi, Mali, Mozambique, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Somalia, South Sudan, Sudan, Togo, Uganda, United Republic of Tanzania, Zambia and Zimbabwe;
  - b. Asia and the Pacific (11): Afghanistan, Bangladesh, Bhutan, Cambodia, Lao People's Democratic Republic, Nepal, Pakistan, Papua New Guinea, Solomon Islands, Tuvalu and Vanuatu;
  - c. Europe (1): Tajikistan;
  - d. Latin America and the Caribbean (11): Bolivia, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Nicaragua, Paraguay, Peru; and
  - e. Near East and North Africa (4): Iraq, Sudan, Syria and Yemen.
4. The HIH Initiative offers FAO Members and development partners programmatic support and innovative ways of strengthening, expanding and sustaining ambitious national programmes for agrifood systems transformation to achieve Sustainable Development Goals (SDGs) 1, 2 and 10. With the country-owned and county-led approach of HIH, Section II of this document focuses on countries and regions, and provides highlights of the major progress to date, including follow-up to the country-level investment cases and engagements initiated as a result of the HIH Investment Forum (IF) 2022.
5. Preparations are underway for the 2023 IF, where Members will have the opportunity to receive updates of country and regional initiatives as well as information of new HIH countries that are interested in participating and presenting their investments based on the improved targeting for eradicating poverty and achieving food security and nutrition impact under HIH.
6. Sections III and IV refer to the ongoing efforts on monitoring and evaluation as well as the communications products developed and strategy rollout. More details on the national progress can be accessed on the Hand-in-Hand Initiative website and dashboard. A new feature is the increased facility for investors to engage with the HIH Members' governments.

## II. Country investments and follow-up

### A. Africa

7. With 34 participating countries, the African region is seeing steady progress and high interest in HIH. Following the 2022 IF, the FAO Sub-regional Office in Dakar has been nominated to lead the development of the Sahel Initiative and is expected to also participate in the 2023 IF. The Sahel Initiative will also proactively explore linkages with the African Union (AU)/African Development Bank (AfDB) Dakar 2 Summit and related follow-up with Members (see hereunder).
8. The investment work done under the 2022 IF was key as a basis for FAO investment support to the AU/AfDB Dakar 2 Summit Feed Africa: Food Sovereignty and Resilience, held on 28-29 January 2023 in Dakar, Senegal. FAO's support to AfDB included five countries in the preparation of their investment notes/compacts, namely Ethiopia, Ghana, Malawi, Niger and South

Sudan. The main outcome of the Summit was the Dakar 2 Declaration and other details can be accessed [here](#).

9. Expanded HIIH collaboration is also ongoing with the UN Food Systems Summit follow-up and the national pathways in selected pilot countries in Africa, including Burundi and Tanzania, as well as with various Programme Priority Areas (PPAs) such as BN4: reducing food loss and waste.

10. In line with the HIIH approach of country-led and country-owned programming, details on the country-level progress are focused on those who presented at the 2022 Investment Forum (IF) and are provided hereunder.

11. **Burkina Faso:** joined the Initiative in April 2020. At the 2022 IF, the government presented investment proposals on rice value chain development, peanut, non-timber forest products and cattle farming. During the HIIH IF, an international non-governmental organization (INGO) expressed interest in collaborating in rice cultivation through innovative programmes that reduce greenhouse gas (GHG) emissions, scaling-up ecovillages and solar irrigation technologies. Follow-up discussions are ongoing with them.

12. **Congo:** joined the Initiative in February 2020. The HIIH and government analysis identified four areas of interventions which were presented by the government during the IF: cassava flour production, soy and maize production, poultry farming development and development of 13 agropoles for food polyculture, seed multiplication, market gardening, orchards and nursery. During the IF, potential collaboration with an international financial institution (IFI) on climate- or poverty-focused funding was explored and is being followed up.

13. **Ethiopia:** joined the Initiative in 2020. Based on the consultations and HIIH analysis, and in line with government priorities, investment cases delivered at the IF included organic fertilizer, dairy, coffee and avocado. During the HIIH IF, potential collaboration with investment companies and private sector alliances have developed and are being followed up. Moreover, a private company expressed interest in working with the government on improved mechanization inputs as per their investment note, and with links to ensure smallholder farmers' participation. Another private investor was also interested to partner with the government for a feasibility study on input supplies. These are being pursued at country level.

14. As a follow-up to the HIIH IF, the Initiative is supporting the government to engage with AfDB in order to link HIIH with the new compact for Ethiopia, which is also aligned with Ethiopia's draft 10 National Programmes in 10 Years (10 in 10).

15. **Mali:** signed on to the Initiative in 2020. The following key investment cases were presented by the government at the HIIH IF: tomato, organic onion and cattle fattening. Further to the HIIH Investment Forum 2022, and with support from FAO, the country is following-up with banks and investment companies met during the HIIH IF, which expressed their interest in working with the government on HIIH implementation.

16. Meetings with CNH Industrial and Rabobank took place in December 2022 to discuss possible partnerships for the implementation of the HIIH investment note and discussions are ongoing for potential investments.

17. The Ministry of Rural Development has also followed up with the Ministry of Economy and Finance regarding possible reallocation of the World Bank (WB) project approved existing resources towards HIIH identified investment cases.

18. The Minister of Rural Development, who led the government's delegation that attended the HIIH IF, also expressed the desire to organize the National Investment Forum in Mali to present the HIIH investment notes and attract international partners, including IFIs, and international and national private sector companies for HIIH implementation in targeted regions (Kayes and Koulikoro). The National Investment Forum is scheduled to take place during the first half of 2023.

19. In January 2023, a mission was also arranged by the Ministry in the target regions to fully brief and explore investment interest at local level for the investment priorities designed for the 2022 IF.
20. **Niger:** the government expressed interest in joining the HIH Initiative in September 2020. At the HIH IF, the investment cases presented by the government focused on: onion preservation, dairy and moringa production using small-scale irrigation.
21. Further to the HIH IF 2022, and with support from FAO, the country is following-up with banks, investors and companies who expressed interest in working with the government on HIH implementation. These include Rabobank, Global Green Growth Institute (GGGI) and CNH Industrial.
22. Furthermore, as a follow-up to the HIH IF, the President's Office Representative invited FAO to moderate a high-level panel on Investment Opportunities in Agro-industrial Value Chains, during the Round Table of Investors and Development Partners on the Financing of the Niger National Economic and Social Development Plan (PDES) 2022-2026, organized with the government of France and held in Paris from 5 to 6 December 2022. The Niger Round Table closed with announcements and expressions of interest for a total amount of EUR 45 billion, against an overall need of EUR 29.6 billion.
23. The investment opportunities identified through HIH Niger are fully in line and aim to contribute to the implementation of the PDES 2022-2026. With support from FAO, the country is currently undertaking a detailed mapping of ongoing pertinent interventions in two target regions (Dosso and Tahoua), which will also allow it to come up with a more detailed investment note for selected value chains, in line with the regional and local development plans.
24. The country is also envisaging the possibility of organizing the National Investment Forum in 2023. A recent development is the government's proposal to advance with the Niamey agropole. The HIH team and the FAO Investment Centre are exploring options for taking this forward as requested by the government.
25. **Sao Tome and Principe:** joined the HIH Initiative in April 2021. As a Small Island Developing State (SID), the key investment cases presented during the HIH IF were on blue cabotage (transport of people and goods in coastal waters); improving tourism and coastal environment; and modernizing the artisanal fishing fleet.
26. A Joint FAO–World Bank mission was convened in January 2023 to consolidate assessment and impact (economic and environment) on the three priorities that investment notes presented during the forum. Meetings were arranged with the Embassies of China and Portugal, the French Development Agency, the European Union, WB and AfDB.
27. In April 2023, FAO will support the second edition of the National Blue Economy Week together with the National Investment Forum on Blue Economy, where the National Investment Plan in Blue Economy and priority projects will be presented.
28. The Minister of Planning Finances and Blue Economy is also following up on support, including requesting technical assistance from FAO.
29. **Zimbabwe:** Zimbabwe's HIH Initiative builds on the government's agrifood systems transformation agenda. The investment cases presented by the government during the HIH IF included the scaling up of small-scale irrigation systems, increasing availability of processed tomatoes and developing decentralized banana packing stations.
30. Following up on the successful momentum built during the HIH IF, the government is leading the effort by organizing a national-level investment forum scheduled to take place in the summer of 2023. The National HIH Investment Forum aims to strengthen the engagement of development partners including the private sector, around the identified investment priorities leveraging the potential of agrifood systems in the country.

31. HII is also supporting the engagement of the government in multiple follow-up activities such as with AfDB. Zimbabwe is also one of the first countries to start using the HII framework at a localized provincial level to support improved investment analysis and planning in agrifood systems.

### *B. Asia and the Pacific*

32. Based on Members' interest expressed at the HII IF, a new Regional Technical Co-operation Programme project is being developed by the FAO Regional Office for Asia and the Pacific to provisionally include Bangladesh, Bhutan, Lao People's Democratic Republic, Nepal and the Solomon Islands. To support HII IF 2022 follow-up activities, the project will focus on enabling inclusive and effective blended investment in agrifood systems in the context of HII and is expected to begin in the coming months.

33. **Bangladesh:** joined the HII Initiative in August 2020. In October 2022, the mobilization of USD 500 million under HII from the World Bank was confirmed as part of the government-led Agriculture Transformation Programme (ATP), with a total value of USD 2.9 billion. Based on the HII analytics and mapping, the International Fund for Agricultural Development (IFAD) recently committed USD 43 million to the Program on Agricultural and Rural Transformation for Nutrition, Entrepreneurship, and Resilience<sup>1</sup>. Further based on the HII support, the government presented investment notes at the HII IF on potato, mango, onion and tomato.

34. One of the follow-up activities post-Investment Forum will be for the government to showcase its HII supported investment cases to various investors during the Bangladesh Business Summit in March 2023 in Dhaka, organized by the Federation of Bangladesh Chamber of Commerce and Industry (FBCCI). The aim is for business representatives and investors from different countries to learn about Bangladesh's success and investment opportunities.

35. The Bill and Melinda Gates Foundation has also committed additional support of USD 4.4 million (for three years) to the government-led ATP, which was set up through the HII program. The project will focus on identifying the policy, investment, and programme gaps and needs using a territorial approach based on HII principles and at local level.

36. Interaction with other donors, such as Asian Infrastructure Investment Bank (AIIB), Asia Development Bank (ADB), Islamic Development Bank (IsDB), IFAD, and WB,) is ongoing, in close collaboration with the government, regarding opportunities and potential investments.

37. **Bhutan:** joined the HII initiative in June 2021. The major areas of investment as presented by the government during the HII IF were on organic strawberry, organic asparagus, aggregation centres and pack houses for strawberry and asparagus, quinoa and black pepper. Following the HII IF, the FAO Representative called on senior government officials of Bhutan and briefed them on the HII investment forum and the scope of implementation.

38. The Cabinet Secretary commended the initiative and informed that the HII approach will be implemented under the upcoming five-year and ten-year plans and programs, where the government will make investment and its return analysis a prerequisite part of the proposals to be considered in the plan. This is to help the government to optimize the resource utilization and investments that are made on programmes with better opportunities for financial returns and sustainability.

39. At the request of the government to develop the national capacity and the agriculture-based corporate sectors for strengthened investment analysis, FAO plans to organize a detailed training in Bhutan in February 2023. Two resource persons will be engaged from the Investment Centre (CFI) and Agrifood Economics Division (ESA). Following the training programme, the FAO Country Office will assist the government in the development of an investment handbook as well as assist technically in formulation of the upcoming five-year and ten-year development and investment plans and programmes.

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<sup>1</sup> <https://www.ifad.org/en/web/operations/-/project/2000003884>

40. Ongoing Global Environment Facility (GEF) and Green Climate Fund (GCF) project proposal preparation is considering the adoption of HIH investment approaches to invest in opportunities identified under HIH typology studies and following the investment proposals developed for the HIH IF.

41. The government has also planned to prepare a concept note and to conduct an economic feasibility analysis for 1) Establishment of the Renewable Natural Resources Economic Hub (RNR E-hub), and 2) Development of model mega-farms in support of boosting agriculture production and marketing, and has requested FAO support on this.

42. The European Union has recently approved the funding of the Promoting Inclusive, Sustainable, and Resilient Agri-Food Systems programme totalling (USD 15 million). The HIH related activities and support in Bhutan helped to build trust and confidence between the government and the donor. The Government requested FAO to play the leading role to technically support the implementation of this important programme.

43. **Lao People's Democratic Republic:** joined the Initiative in March 2020. Based on the HIH support, the investment notes presented by the government covered cassava, livestock and tea.

44. Following the HIH IF, potential collaboration with an IFI on a USD 20 to 50 million project is envisaged on expanding the area under irrigation and providing farm-to-market roadways in the identified priority areas. Furthermore, a private company has expressed interest in investing in specific value chains, exploring this opportunity further in early 2023. An investment firm is also interested in the livestock sector and follow-up discussions are scheduled.

45. **Nepal:** For the HIH IF, the government prioritized the following investment cases: large cardamom (also known as black cardamom), highland potato, timur pepper (also known as Sichuan pepper) and ginger.

46. Based on the interactions at HIH IF, a large water-focused investment proposal is being developed with AIIB and supported by FAO, for a total value of USD 150 million.

47. **Solomon Islands:** joined the initiative in April 2020. The following investment cases were presented at the HIH IF by the government: poultry sector development and coconut.

48. Several indications of support have already been received for these interventions and are being followed up at national, subregional and global HIH team level, including possible support through South-South Cooperation and larger global SIDS programmes (e.g. a targeted concept note is being developed on poultry investments).

### *C. Latin America and the Caribbean*

49. In the eight participating countries of this region, HIH has received governments' support at the highest level. **The Dry Corridor "Corredor Seco"** regional initiative was launched at the 2022 HIH IF. Initial support of USD 1 million was indicated by the government of Brazil towards this approach and is being followed up.

50. Following the interest generated from the HIH IF, and in collaboration with the Central American Integration System (SICA) and other regional organizations, the HIH team is supporting the preparation of an investment forum specifically dedicated to the dry corridor. This event is expected to take place between March and April 2023. At this event, the investment notes on irrigation and soil that were prepared for the Rome IF 2022 will be presented.

51. The **Panama Food Hub** was also launched during the HIH IF. The Panama Canal facilitates several key trading routes between the Americas and the rest of the world. It is of particular importance for global agrifood trade, with soybeans, grains and bananas as major commodity groups traded.

52. This hub will help to increase effectiveness in the trade of food products and to add value to them. This is of extreme relevance not only for the region but also for sub-Saharan Africa and the

Near East given that most of the growing import demand at the global level will come from these regions and North Africa.

53. Following the HIH IF, support for the Hub is being actively explored with a regional development bank as well as a regional financing facility (FONTAGRO).
54. **Ecuador** joined the HIH Initiative in June 2020. During 2022, the government presented investment cases focused on hass avocado and cocoa. The government has committed USD 45 million to this Initiative.
55. During the HIH IF, potential collaboration with a bank on carbon credits was actively explored and is being followed up on. A private company also expressed interest in working with the government on improved agriculture production focused on plant protein, and this is also being followed up on.
56. Based on the ongoing government interest in HIH, during 2023, and in the context of the Integral Project for Agro productive Diversification and Agricultural Reconversion (PIDARA) worth EUR 145 million, HIH tools will be used for the territorial allocation of these projects in selected value chains, such as coffee, cocoa and avocado.
57. **El Salvador:** joined the initiative in February 2022. Working collaboration with the Ministry of Agriculture and Livestock has been carried out in the prioritized coffee sector. The Ministry's presentation at the IF focused on improved productivity and efficiency, better post-harvest organization of small- and medium-scale producers and better positioning of Salvadoran coffee in international markets. During the HIH IF, collaboration with Rabobank in joining their program on carbon credits was actively explored and is being followed up.
58. **Guatemala:** During the HIH IF, the Minister for Agriculture, Livestock and Food presented the following investment opportunities: agricultural development in cardamom, coffee, cocoa, basic grains and other agroforestry crops; research and development (R&D) and innovation on farm; agro-industrial development in cardamom, coffee and cocoa; strengthening organizations and associative marketing and strengthening other value-adding initiatives.
59. As a result of the HIH IF, a regional bank appears to be interested in supporting several of these investments. During the HIH IF, private companies expressed interest in working with the government on improved agricultural inputs, enhanced irrigation in coffee and investments in coffee production. An INGO was also interested in partnering with the government on natural resource investments. An interesting collaboration with a South American country was also developed as part of South-South Cooperation. Follow-up meetings on the above are planned in Guatemala in the first quarter of 2023.
60. **Haiti:** joined the Initiative in June 2020 and the HIH team worked extensively with the government on several analytical products, including agricultural typologies and investment analysis.
61. An investment note on yam was delivered at the HIH IF by the FAO Representative instead of a government official due to recent political changes in the country. Interest was expressed by a private company in yam and waste utilization as well as broad agriculture development and capacity enhancement. Follow-up discussions are planned with the government through the FAO Representation.
62. **Honduras:** joined the initiative in May 2021. The Minister for Agriculture and Livestock presented the following investment opportunities during the HIH IF: seeds for climate change, building climate resilience in the coffee subsector and strengthening the cocoa value chain.
63. Based on the discussions at the HIH IF forum, the National Commission of Investment is planning to organize a national-level IF for private investors in the coming months.
64. **Nicaragua:** Since June 2022, the HIH Initiative has been supporting Nicaragua's National Rural Investment Program 2022-2031, which aims to reduce poverty and achieve sustainable development. Specifically, it supports investments in the dairy and coffee value chain. The country is attaching great importance to the Initiative and further progress is expected during 2023.



65. The areas identified as priorities are “*Vía Láctea Ampliada*” for dairy and “*Zona Cafetalera Norte*” for coffee. During the IF, the government presented investment opportunities in dairy and coffee. Two private companies expressed interest in working with the government on livestock development and further follow-up is ongoing.

66. **Peru:** At the recent HIH IF in October 2022, the government prioritized investments in the development of infrastructure for collecting and primary processing of fine aroma cocoa equipment for turning cocoa mucilage into syrup; and development of infrastructure for collecting, processing, and packaging Peruvian scallops (“*conchas de abanico*”).

67. Following the HIH IF, collaboration with Rabobank on carbon credits was actively followed up through a mission to Cajamarca. The local government is exploring opportunities for an initial investment of USD 500 000 from Rabobank to the sector.

#### *D. Near East and North Africa*

68. **Yemen:** joined the Initiative in May 2020 and the HIH team has worked extensively with the government on several analytical products, including the development of an updated vulnerability map, agricultural typologies and investment analysis.

69. During the HIH IF, the following investment cases were presented by the government: horticultural seedling production, dairy, beekeeping (honey production) and coffee terraces. Potential collaboration with a number of investors was pursued, including with banks and the private sector, and these are being followed up by the government with the support of the FAO Representation.

### **III. The HIH dashboard**

70. The dashboard provides an overview of the total number of countries engaged in the HIH (now 60) from a total target of 64, as well as their progress in the HIH approach. The current most complete datasets are linked to the 2022 HIH IF and the identified country-level engagements and progress.

71. The development of a programme dashboard has advanced further with data now improved in terms of quality and included all 20 countries that participated in the HIH IF.

72. The dashboard architecture is being reviewed and upgraded, ideally to link with new innovative FAO country-level reporting systems.

### **IV. Communications strategy**

73. The HIH communications strategy sets out to boost HIH’s capacity to engage more actively with investors, donors and partners, as well as internal support for the Initiative.

74. Key communications materials, including a summary of the communications strategy, and all information on the HIH Initiative are available on its website: <https://www.fao.org/hand-in-hand/en>.