



In Johannesburg

Evelyn Situma

Phone: +254 701 961 045

E-mail esituma@ifc.org

IFC, SECO Partner to Address Water Scarcity in South Africa

Johannesburg, South Africa May 14, 2019— IFC, a member of the World Bank Group and Switzerland's State Secretariat for Economic Affairs (SECO), today launched a program aimed at addressing water scarcity in South Africa's agribusiness sector.

The four-year program called **Agri-processing Resource Efficiency**, will offer advisory services to selected companies in the agri-processing sector to improve energy and water use. In addition, the program will work with stakeholders to identify key water efficiency needs, address regulatory issues, and share knowledge on best practice.

Water scarcity is exacerbated by climate change, drought, and poor infrastructure maintenance resulting in substantial losses and disruptions to supply. Increasing demand for water means the gap between demand and supply is set to widen, leading to increased costs and constrain economic activity.

"While the South African agri-processing sector is a key driver of economic growth due to its potential to contribute to value addition, job creation and exports, water scarcity and increasing costs are threatening competitiveness. The partnership between IFC and SECO is aimed at reducing water consumption and mitigating risks associated with uncertain and constrained water supplies," said Helene Budliger Artieda, Ambassador of Switzerland to South Africa.

The agricultural sector accounts for about 60 percent of the South Africa's water demand. Estimates indicate a potential water deficit of 20 percent by 2035 if no action is taken.

Adamou Labara, IFC Country Manager said "IFC seeks to build and share knowledge and global expertise with agribusiness companies in South Africa through the Agri-processing Resource Efficiency initiative. We hope to raise awareness on resource use and mobilize the private sector to achieve sustainability and competitiveness."

The program will build capacities of agri-processors to find solutions to save, recover and reuse water to mitigate impact of water scarcity and climate change. The goal of the program is to boost South Africa's agricultural productivity by encouraging efficient use of water and energy resources.

The South African government and World Bank Group have jointly identified agriculture and agribusiness as one of the key sectors for development.

IFC's Manufacturing, Agribusiness and Services Advisory team works with over 100 agribusiness clients worldwide, including on energy efficiency, sustainability and resource usage. As of June 2018, IFC's investment portfolio in agribusiness was valued at \$1.2 billion globally.

About IFC

IFC—a sister organization of the World Bank and member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work with more than 2,000 businesses worldwide, using our capital, expertise, and influence to create markets and opportunities in the toughest areas of the world. In fiscal year 2018, we delivered more than \$23 billion in long-term financing for developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity. For more information, visit www.ifc.org

About SECO

Switzerland's State Secretariat for Economic Affairs (SECO) is the federal government's center of excellence for all core issues relating to economic and labor market policy. It is our aim to contribute to sustained economic growth, high employment and fair working conditions, by creating the necessary regulatory, economic and foreign policy framework. For more information: please visit <https://www.seco.admin.ch/seco/en/home.html>

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