

EU (AGRI) CDG

3rd March 2016

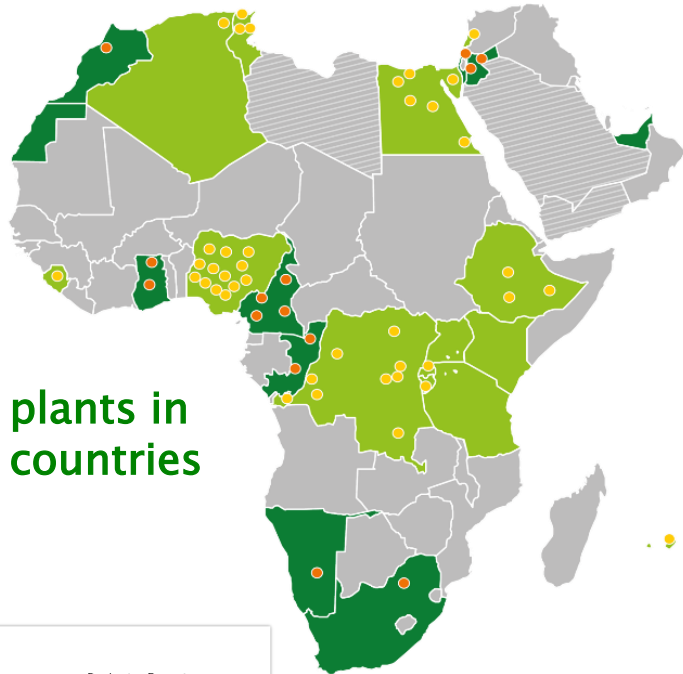
HEINEKEN LOCAL SOURCING in Africa



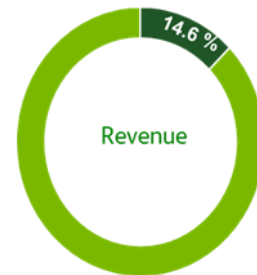
Paul Stanger
Local Sourcing Director, AME

HEINEKEN IN AFRICA

56 plants in
24 countries



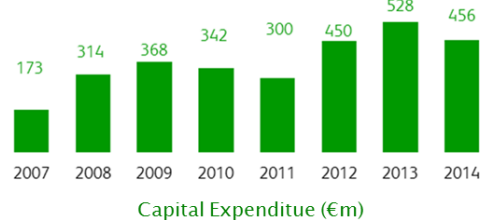
15% of volume & revenue



HEINEKEN supports
€2.9 billion
value added*

1.1 million
jobs supported

€3 billion capital expenditure since 2007



(*value added i.e. incomes generated for
employees, companies and governments)

WHY LOCAL SOURCING?

Strategic fit:

- Brewing A Better World



- License to operate
- Local propositions
- Supply Chain Productivity



60%* external commitment

Win-win benefits:

HEINEKEN

- Short & secure supply chains
- Transport & duty costs
- Forex & pricing volatility
- Public affairs/CSR

Communities

- Reliable market
- Skills & knowledge
- Productivity
- Disposable income
- Food security
- Economic growth

* Definition: Agricultural raw materials cultivated in Africa in metric tons



COMMERCIALLY SUSTAINABLE local sourcing

- Right QUANTITY
- Right QUALITY
- Right TIME

Secure Supply

- Competitive COST
- Fair VALUE across the chain

Sustainable Supply

LOCAL SOURCING STATUS

- 49% in 2015
- 235k tons of agri-raw materials
- 16 initiatives in 11 countries
- 7 PPP projects



Ministry of Foreign Affairs



PPP ROLES

HEINEKEN

- Commercial and CSR objectives
- Partnership catalyst
- Co-funding (3–5 years)
- Brewery investments
- Encourage third party investment (processors)
- Local propositions
- long term off-taker

NL MFA



- Development and Trade objectives
- Co-funding (3–5 years)
- Embassy network
 - Local government
 - NGOs and other value chain actors
- Best practice sharing
- Challenge & support

OTHER PARTNERS

NGOs (Development objectives)

- Local partnerships
- Farmer organisation
- Best practice training
- Value chain linkages

Others (Commercial objectives)

- Financing
- Input providers
- Collection & transport
- Processing

CREATE BARLEY PPP IN ETHIOPIA

Contracting



Training & Demos



Best Practice



Improved Varieties



Primary Processing



Quality & Payment



Delivery & Storage



Winnowing

2SCALE CASSAVA PPP IN NIGERIA



Active Partner Participation



Best Practice – eg Mechanisation



Collection & Transport



Progress Reporting



Primary & Secondary Processing



Quality & Payment

KEY CHALLENGES

- Right partners – project & value chain actors
- Organising farmers into collective groups
- Seed multiplication & distribution
- Financing for farmers – banks & MFIs
- Primary & secondary processing capacity
- Transition from project to daily business
- Long term commercial sustainability



Ministry of Foreign Affairs

EUCORD



IFC
International
Finance
Corporation
World Bank Group



A woman with dark skin, wearing a vibrant, patterned headwrap and a matching shawl, is shown in profile. She is holding a wooden hoe with a dark, flat head. The background is a soft-focus green field. A white circular graphic is overlaid on the left side of the image.

Thank you