WORLD ECONOMIC FORUM

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Regional Agenda

Grow Africa: Partnering to Achieve African Agriculture Transformation

Prepared in collaboration with A.T. Kearney

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The World Economic Forum, committed to improving the state of the world, is the International Organization for Public-Private Cooperation. The Forum engages the foremost political, business and other leaders of society to shape global, regional and industry agendas.

Preface

Klaus Schwab
Executive Chairman, World Economic Forum

As an international organization for public-private cooperation, the World Economic Forum works to address major global challenges through multistakeholder dialogue and partnership. The Grow Africa partnership serves as an outstanding example of this approach. Co-founded by the Forum in partnership with the African Union (AU) and New Economic Partnership for Africa's Development (NEPAD), the partnership works to fulfil the ambitious goals set by African leaders to transform agriculture and achieve food security on the continent through increased investment, partnership and improvements to the enabling environment.

The results of Grow Africa's initial four years are impressive: over $10 billion in private-sector investment committed; and over $1.8 billion implemented, benefiting more than 8.6 million smallholder farmers and creating over 58,000 jobs. The benefits that these activities are bringing to African communities are significant and are on track to significantly increase in years to come.

Beyond these concrete impacts, the partnership has had other effects which are less tangible but no less important. It has changed mindsets, accelerated innovation and established a spirit of partnership – between global and African leaders, between public and private sectors and among diverse stakeholders. It has demonstrated a new model for multistakeholder partnership, inspiring the launch of a Grow Asia regional platform in 2015.

Over 300 organizations and countless individuals have contributed to Grow Africa's success to date. The Forum appreciates its fellow co-conveners, the AU and NEPAD, for their strong partnership to advance the African agricultural agenda. We are grateful to the development partners who provided generous support for the Grow Africa Secretariat's operations and upcoming transition, including the U.S. Agency for International Development (USAID), the Swiss Agency for Development Cooperation (SDC) and the UK government's Department for International Development (DFID). A.T. Kearney, Rabobank and the Sustainable Trade Initiative (IDH) dedicated substantial in-kind support. Over 200 companies, including many Forum Partners, have made substantial investment commitments to advance action on the ground.

Among the many leaders who have led Grow Africa's success, President Jakaya Kikwete of Tanzania demonstrated extraordinary vision and commitment to develop and advance the platform, with support from numerous other heads of state and government. On the Forum side, Arne Cartridge led the Grow Africa Secretariat from its inception, and Sarita Nayyar and Lisa Dreier provided key support.

The Forum has been honoured to work with African and global partners to advance Grow Africa's success to this point. As the Grow Africa Secretariat transitions to a new host institution, NEPAD, the Forum remains fully committed to supporting the partnership's future success.

Introduction: The Challenge and Potential of African Agriculture

By 2050, Africa will be home to one-fifth of the world's population. This rapid growth, combined with a strong trend towards urbanization, poses significant challenges for food security, peace and security, and economic opportunity in the region.

Agriculture, long seen as an underperforming sector, has over the past 10 years been recognized as the industry most able to provide both sustained economic growth and social inclusion on the continent. Agriculture today accounts for 32% of gross domestic product in Africa[1]. Agriculture and agribusiness together could be a $1 trillion sector in sub-Saharan Africa by 2030, up from $313 billion in 2010[2]. More important, growth generated by agriculture in sub-Saharan Africa is estimated to be 11 times more effective in reducing poverty than GDP growth in other sectors – a vital multiplier given that 65% of the continent's labour force is engaged in agriculture[3].

Yet the sector has suffered sustained neglect and, as a result, Africa has gone from being an exporter of agricultural products in the 1960s to a net importer today. Poor infrastructure, the lack of developed supply chains and insufficient financing contribute to low yields and unreliable supply from smallholder farmers, who make up the majority of the sector's production base.

Unreliable supply increases risks for players further down the supply chain, such as agro-processors, which, in turn, makes them also unattractive to financers. Without capital, small- to mid-sized companies cannot modernize and mechanize, which hinders productivity. Improving the stability of the agricultural supply chain is also vital to attract much-needed foreign direct investment by international food companies. Many of these companies are keen to invest in Africa, which includes building local supply chains.

[1] The World Bank. Fact Sheet: The World Bank and Agriculture in Africa

[2] Growing Africa: Unlocking the Potential of Agribusiness March 2013

[3] The World Bank. Fact Sheet: The World Bank and Agriculture in Africa

Hailemariam Dessalegn
Prime Minister of Ethiopia

"Ethiopia was among the first to achieve the CAADP target of spending 10% of the national budget on agriculture. We recognized that public spending would have to be matched by, and used to leverage, private-sector investment to truly transform the sector. We needed models for bringing in foreign direct investment in ways that would support, rather than compete with, small- to medium-sized agribusinesses that are vital to the long-term sustainability of the sector. We also needed to ensure that investment both by international and African agribusiness companies would raise incomes and create jobs for the rural population. Grow Africa has convened stakeholders through regional and national platforms to develop these models. We must learn from, and build upon, these examples to accelerate growth in the agricultural sector."

Paul Polman
Chief Executive Officer, Unilever

The creation of the World Economic Forum's New Vision for Agriculture was a defining moment for catalysing multistakeholder partnership in agriculture. Since then, Grow Africa has demonstrated the potential of this approach. It has helped mobilize investment pledges of more than $10 billion by over 200 companies. It is now entering a new era as an African-led institution based in NEPAD. There couldn't be a more critical time for renewed leader-ship. In 2015, governments adopted the UN Sustainable Development Goals and agreed to a climate deal. Sustainable agriculture is at the very centre of the global development agenda. It is now clear that we can only make real progress when we work in deep partnership – Grow Africa is a great example of this type of collaboration. As resource prices decline, it is also clear that developing commercial sustainable agriculture in partnership with the private sector is absolutely critical to efforts to boost and diversify economic growth, expand opportunity and reduce poverty. Grow Africa provides the kind of channel we urgently need to support such work while ensuring we bring in smallholders, with a focus on women. Moreover, by connecting climate-smart strategies to increased farm productivity, Grow Africa can help drive efficient and low-carbon growth in the agriculture sector to build a truly productive and sustainable future for Africa.

Investment is key to addressing challenges facing the sector and to ensuring that agriculture delivers on its potential. For too long, the sector has been seen as one requiring government subsidy and donor funding. The vision of agriculture as a potential driver of economic growth, rural incomes and job creation – in addition to food security – emerged only over the past decade. Today, the sector is more widely recognized as a key part of the solution to growing pressures of population growth, poverty, unemployment and urbanization on the continent – as well as a growing destination for investment.

Since 2003, 42 African governments have signed up to the Comprehensive Africa Agriculture Development Programme (CAADP), committing to allocating 10% of the national budget to agriculture. They have also committed to ensuring a 6% annual growth in agricultural GDP. A number have met, or surpassed, these targets. The tide is gradually turning.

A core tenet of CAADP is the recognition that mobilizing private-sector investment is vital to achieving agricultural targets. Governments and donors must work together with the private sector to provide the right business environment to attract capital and also to ensure that investments support national targets, particularly on increasing farmer incomes and food security.

Founded in 2011, Grow Africa has played a key role in working with the African Union Commission and NEPAD – two of its three co-founders – to strengthen and build the private-sector pillar of the CAADP compact, in particular, developing platforms for new models of public-private sector collaboration. Governments and donors have increasingly recognized the potential for using public and donor funds to incentivize and increase the impact of private-sector investment. However, making this joint funding effective requires market-driven, multistakeholder investment models. Grow Africa has been a catalyst in not only changing mindsets about African agriculture but also incubating the development of inclusive business models that generate jobs and increase smallholder farmer incomes.

Grow Africa supports the very ambitious goals set by African governments in the 2014 Malabo Declaration, which added further specifics to the original CAADP goals, including by 2025: ending hunger; halving poverty; halving post-harvest losses; creating jobs for 30% of youth in agricultural value chains; and tripling intra-African trade in agricultural commodities. To meet these goals, Africa must capture more of the value of the agricultural supply chain. Production of raw agricultural commodities – still the main focus to date – accounts for less than 10% of the total potential value to be captured by intermediaries between the field and the supermarket. Finally, Africa must capture a greater share of its own market; too much of the processed commodities that Africa could produce itself are imported. Worse, countries import from outside the continent to ensure food security because this is cheaper than importing from another African country due to high logistics costs and trade barriers.

The transformation of Africa's agricultural sector is now under way. However, it must be accelerated and taken to scale to deliver on African leaders' goals. Africa has the potential not only to feed itself but also to be a breadbasket for the world. With the right support, the continent can leverage its considerable resources – land, water, people, knowledge and potential markets – to overcome food insecurity and become a leading competitor in global food markets.

Desmond Swayne
Minister of State for International Development, United Kingdom

Grow Africa has been instrumental in driving agricultural transformation, inclusive and sustainable economic development and eradicating hunger and extreme poverty in our lifetime. Multistakeholder initiatives, such as Grow Africa, are key to helping us deliver on the global goals and, in this case, the African Union's Malabo Declaration. Multistakeholder platforms are challenging. Good governance, transparency and accountability are critical to be successful. We congratulate the World Economic Forum on having helped Grow Africa to an excellent start. We wish the initiative every success as it transitions fully into African ownership, strives to drive responsible business models and demonstrates increasing impact.

Grow Africa: Realizing Africa's Potential through Partnership

Grow Africa facilitates collaboration between governments, international and domestic agriculture companies and smallholder farmers to lower the risk and cost of investing in agriculture and improve the rate of return to all stakeholders.

Grow Africa was co-founded in 2011 by the African Union Commission, NEPAD Agency and the World Economic Forum as an African-owned, country-led, market-based platform for cross-sector collaboration to increase inclusive and responsible investment in African agriculture in support of the Comprehensive Africa Agriculture Development Programme (CAADP), the AU's framework for improving agriculture and food security.

Grow Africa was inspired by a partnership approach developed by Tanzanian and global leaders, supported by the World Economic Forum's New Vision for Agriculture initiative, during 2009-2011. In 2010, President Jakaya Kikwete requested the Forum's support to mobilize private-sector investment and public-private sector cooperation in support of Tanzania's national agriculture priorities. At the president's request, a multistakeholder task force developed a blueprint for investment in the Southern Agricultural Growth Corridor of Tanzania (SAGCOT), outlining the potential to triple agricultural output in a high-potential region of the country through public-private investment. The SAGCOT Centre was established to facilitate responsible, inclusive investments and cooperation agreements to realize this potential, engaging local and global companies on specific value chains together with the government, development partners and farmers' associations.

Jakaya Kikwete
Former President of the United Republic of Tanzania

"The World Economic Forum's partnership with Tanzania laid the groundwork for Grow Africa. The Tanzanian government recognized that we needed a model for engaging the private sector in agricultural transformation, and worked to develop that in the SAGCOT region with the Forum's support. We soon recognized that establishing a regional Grow Africa platform could support many more countries to take this approach, enabling Africa to deliver on its ambitious agricultural agenda. Grow Africa's founding partners – the AU, NEPAD and the Forum – have ensured that the effort is anchored in African institutions and supported by the global community. This has enabled it to convene stakeholders at the highest level to commit to action, which must be replicated further if we are to realize agriculture's potential for economic development and job creation on a continental scale."

Accelerating Investments with Letters of Intent

Letters of Intent (LOIs) form part of the tripartite commitment between governments, the private sector and donors to specific goals supporting national agricultural transformation. Letters of Intent are signed between companies and governments. Each letter states requirements for:

- **Alignment with host-country strategies:** Grow Africa discusses investment intentions with host governments to ensure that they align with the country's strategies and priorities.
- **A measurable target for responsible, inclusive investments:** Grow Africa sets quantifiable targets to measure the impact of investments. Companies are asked to specify the financial value of their planned investment, as well as the intended benefits to the community – including jobs created, commodity-sourcing goals and the number of value-chain partnerships established. The benefits of LOI investments to smallholder farmers – through increased yields, linkage to commercial markets, access to finance, inputs or training – are central to the process.
- **Identification of both financial and social/development impacts:** Although investments should be viable without donor support, donors and host governments may be interested in providing support to encourage and achieve greater development impacts.
- **A commitment to socially responsible investments** Letters of Intent include a socially responsible approach to critical issues, such as land use and acquisition, natural-resource management, economic viability and shared values.
- **Commitment to the New Alliance and Grow Africa process:** To capture progress towards goals, companies are responsible for providing annual progress reports and maintaining an ongoing dialogue with key stakeholders.

Over 300 Letters of Intent have been signed by 200 agribusiness companies, 70% of which are African-owned. The commitments range in size from thousands to millions of dollars and span complete agricultural value chains as well as specific parts of the supply chain. Most Letters of Intent are national in scope but a number have a regional focus.

The innovative efforts to mobilize responsible, inclusive private-sector investment in Tanzania's agriculture sector priorities caught the attention of the AU and NEPAD, which were charged with implementing the CAADP to assist all African countries to develop agriculture-sector investment plans. The two regional institutions joined with the World Economic Forum to host a series of high-level multistakeholder dialogues engaging African governments, global and local companies, civil society and international organizations, and farmers' associations. What emerged was a mandate to create a regional platform to facilitate partnership and accelerate investment for sustainable and inclusive development of African agriculture, in alignment with country plans and priorities. In 2011, the AU, NEPAD and the World Economic Forum founded Grow Africa to realize this mandate.

Each of the convening partners contributed to Grow Africa according to their strengths: the Forum provided the private-sector networks and multistakeholder facilitation; NEPAD supplied the pan-African strategy and technical knowledge; and the AU provided strategic guidance and leadership, ensuring that Grow Africa was anchored in an African-led agenda and lending visibility and credibility to the platform with government leaders.

Grow Africa Partner Countries

As of 2015, twelve countries are participating in Grow Africa: Benin, Burkina Faso, Côte D'Ivoire, Ethiopia, Ghana, Kenya, Malawi, Mozambique, Nigeria, Rwanda, Senegal, Tanzania

In 2012 Grow Africa teamed up with the newly formed New Alliance for Food Security and Nutrition, which resulted from a pledge by African heads of state, corporate leaders and G8 members to lift 50 million people out of poverty in sub-Saharan Africa by 2022. The New Alliance brings together the capacities and interests of diverse stakeholders, including governments and institutions, the private sector, civil society, donors and other development partners, such as research institutions, to address key constraints to inclusive, agriculture-led growth in Africa. The New Alliance and Grow Africa have worked to establish a better enabling environment for responsible and inclusive investment and accelerating agriculture-sector growth. Country Cooperation Agreements, facilitated by the New Alliance, have been the key instrument for achieving this. These agreements orchestrate and detail specific commitments made by governments, donors and the private sector aimed at mobilizing capital, improving access to new technology, managing risk and improving farmer livelihoods.

With a joint portfolio of $10 billion in planned private-sector investment, over 200 policy reforms and over $6 billion in donor pledges, the tripartite commitments facilitated by the New Alliance for Food Security and Nutrition and Grow Africa have become transformative tools for the continent.

Today the Grow Africa Partnership includes over 200 companies working across 12 countries. These companies have made formal commitments (captured as Letters of Intent) to invest in agriculture. These Letters of Intent collectively represent private-sector commitment within the Country Cooperation Agreements between government, donors and private sector.

Kanayo Nwanze
President,
International Fund
for Agricultural
Development

Rural people are not looking for handouts; they are looking for opportunities. With the ever-increasing demand for food from Africa's growing population, agriculture offers rural people the means to build a future for themselves while contributing to food security. What we need to do is ask, 'Do Africa's smallholder farmers have the necessary infrastructure to store what they harvest and get their produce to market?' The real issue isn't about production rates but rural transformation. Grow Africa's focus on market opportunities, and its efforts to link farmer groups to SMEs and larger companies, is making an important contribution to this transformation. Going forward, Grow Africa has a key role to play in ensuring that business relationships are equitable and transparent, and that smallholders, especially women, are the central players in Africa's investment and business opportunities.

Grow Africa's Work

Grow Africa's work focuses on four areas:

- **Connecting commercial partners:** Links stakeholders along respective value chains including both private-private and public-private to develop well-functioning and financially sustainable markets.
- **Improving inclusive and responsible business models:** Helps Grow Africa partners to tap into best practice and new innovative business models, particularly related to working with smallholder farmers. Identifies systemic constraints to responsible private-sector investment and convenes working groups to develop solutions. Facilitates knowledge sharing through a variety of channels, including communities of practice and an annual investment forum.
- **Connecting to finance:** Facilitates agribusiness access to financial service providers and funding partners. Contributes to the development of holistic solutions to reduce business risk and combine different types of financial products specific to the agriculture sector.
- **Improving the business environment:** Engages governments and works in coordination with the AU and NEPAD and with the New Alliance to improve policies and investments in the enabling environment to accelerate responsible and inclusive private investments in agriculture.

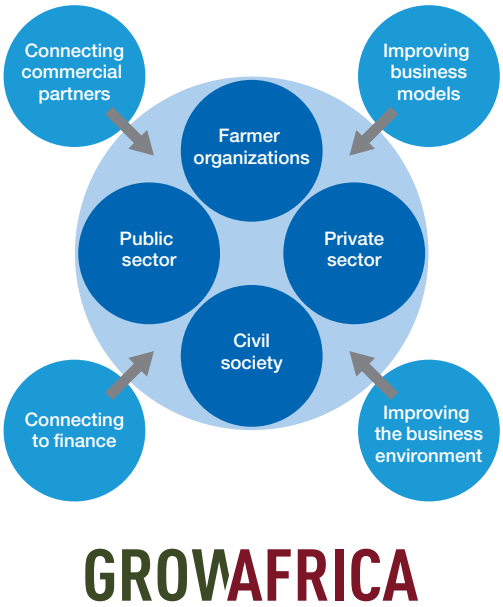
In 2012, with funding support from the U.S. Agency for International Development (USAID), the Grow Africa Secretariat was established, hosted by the World Economic Forum in Geneva, Switzerland. Further funding support has been provided by the Swiss Agency for Development and Cooperation (SDC) and the UK's Department for International Development (DFID). In 2016, by agreement among the convening partners, the Secretariat will shift to NEPAD's headquarters in South Africa to enable Grow Africa to be fully anchored within the African institutions. The transition to NEPAD represents an important milestone in Grow Africa's evolution, following the partnership's successful incubation at the World Economic Forum. With an Africa-based Secretariat, the partnership will begin a new phase, focused on accelerating and scaling the implementation of responsible and inclusive business models for agriculture development that deliver return to investors whilst at the same time strengthening the role of smallholder farmers in sustainable value chains.

Scaling Impact through Multistakeholder Platforms

From the outset, Grow Africa's founding partners recognized the need to identify, incubate and scale solutions for increasing responsible investment in agriculture. Given the systemic nature of the obstacles to investment, this meant finding effective ways of strengthening and increasing collaboration and coordination between stakeholders, particularly at a national level between the public and private sectors. It also meant creating and strengthening links between individual stakeholders and relevant investment projects to accelerate both the level of investment and the speed and reliability of achieving planned returns. Finally, it called for supporting the development of inclusive business models for working with smallholder farmers in order to strengthen their role in agricultural value chains, resulting in reliability of demand and increased incomes.

Such cooperative efforts are difficult to achieve yet can produce significant social change. Grow Africa's approach of aggregating resources, stimulating collaborative efforts and helping to dismantle traditional boundaries serves as a source of inspiration and learning to similar partnership initiatives.

Figure 1: Grow Africa's Value Proposition



Jim Borel
Executive Vice President, DuPont

The Grow Africa initiative has been a tremendous resource to DuPont as we focus on growth investments on the continent. The private-sector engagement in the pre-competitive space working with governments and other stakeholders has been effective in helping create enabling environments for increased investment and economic growth. Grow Africa's convening power facilitates identification of partners with compatible interests and has spurred DuPont and other organizations to form and launch public-private partnerships that are making a positive difference in the local economies and to the partners.

Grow Africa supports the development of multistakeholder platforms that address the sector as a whole, or focus on specific commodity value chains. These regional and country-specific platforms are key to accelerating agricultural transformation. Their success depends on the right players being involved from the outset and on being recognized and supported by government as an instrument for executing on the national agricultural agenda. The Grow Africa Secretariat focuses on scaling and accelerating agricultural transformation by linking relevant players and promotes the work of the platforms it supports at senior national and continental government levels. In addition, Grow Africa and its partners produce and commission best-practice and "how-to" guides on topics ranging from engaging effectively with smallholder farmers to setting up a multistakeholder platform.

At continental level, Grow Africa coordinates and feeds input from the private sector into a continent-wide annual review of progress against specific commitments made by governments, donors and the private sector (Country Cooperation Agreements) in support of CAADP.

At a regional and national level, the Grow Africa Secretariat supports the development of crop-specific, value-chain platforms for initiatives with high potential for transforming agriculture in specific countries or regions. The Secretariat identifies and convenes relevant stakeholders for these platforms, from agribusinesses to finance and technical partners.

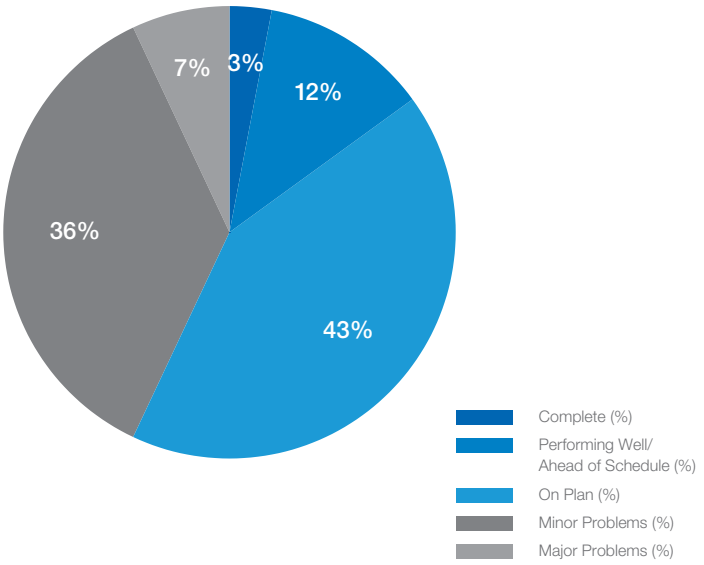
At national level, the Grow Africa Secretariat works in three ways: it convenes private-sector organizations through platforms that enable the sector to speak with one voice to government; it facilitates dialogue between the private sector and government entities to identify public investment and policy actions that can stimulate private-sector investment to meet national economic and social targets for the sector; and it supports the implementation of investment commitments by linking Letter of Intent companies to appropriate partners and to relevant value-chain platforms and initiatives.

A Driver of Progress: Grow Africa's Impact to Date

Grow Africa and the New Alliance have increased the amount of investment committed by international and African companies to African agriculture from $3 billion in seven countries in 2012 to over $10 billion of investment commitments by over 200 companies in 12 countries by the end of 2014. About 70% of these companies are African agribusinesses. Out of the total investment committed, by the end of 2014 $1.8 billion had been implemented, positively impacting the lives and incomes of 8.6 million smallholder farmers – 40% of them women – and creating 58,000 new jobs.

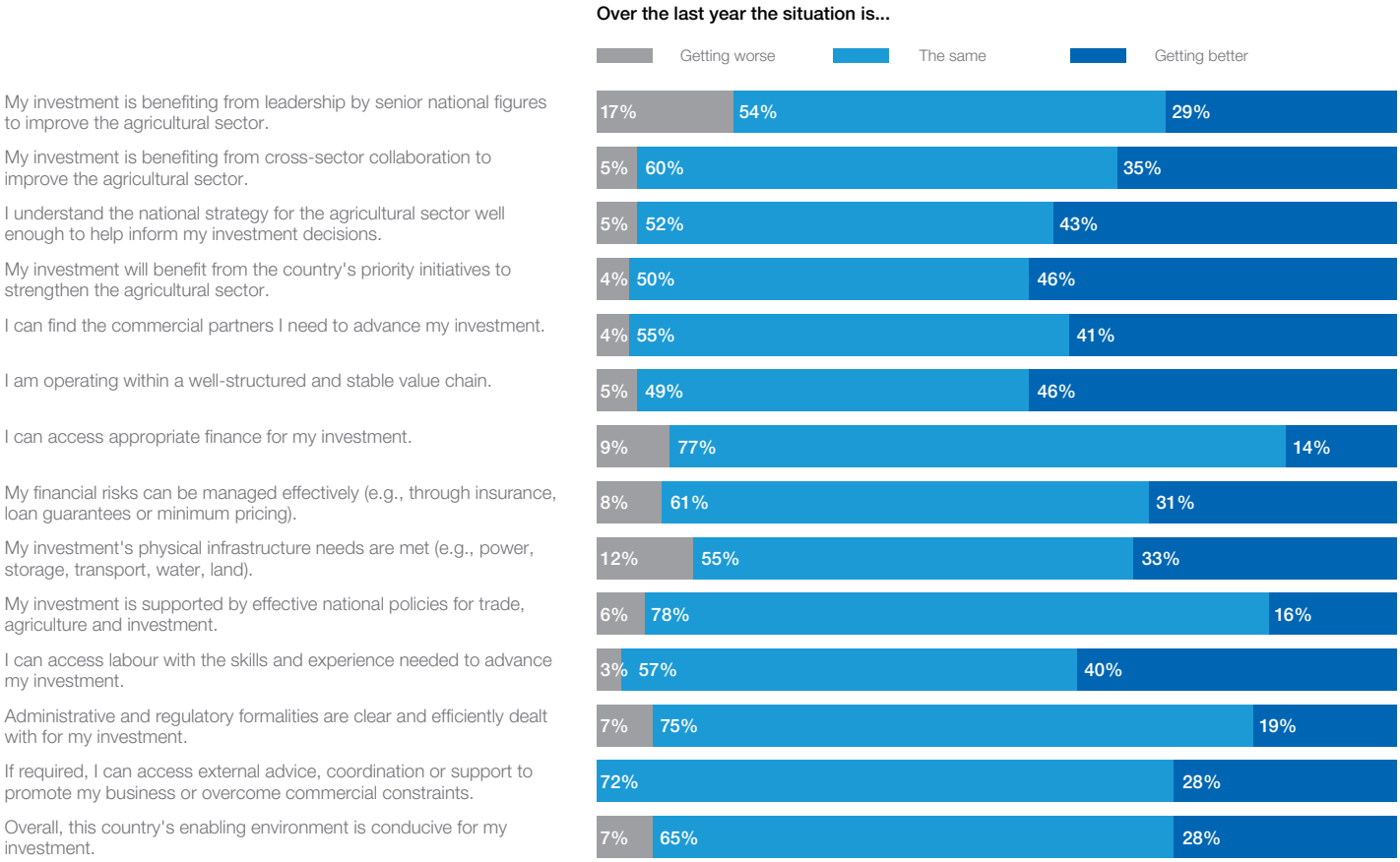
Over 90% of the companies that are investing reported that, in 2014, their projects were on track or experiencing only minor problems (see Figure 2). This is due in part to improvements in the policy and public-sector investment environment. Companies that have committed investments completed an annual Grow Africa stocktaking survey which showed strong progress in 2014 in their understanding of the national strategy for agriculture; better-structured value chains, backed by a broader pool of commercial partners and skilled labour; and improved cross-sector collaboration and investment facilitation support (see Figure 3). This positive view was reiterated in the New Alliance reporting on government progress on policy reforms for the enabling environment. Out of the 156 policy commitments due for completion by June 2015, 92% had been done or were making good progress (see Figure 4). Donors had supported committed improvements, disbursing just over 50% of committed funds for 2014 (see Figure 5).

Figure 2: Letters of Intent Implementation Progress



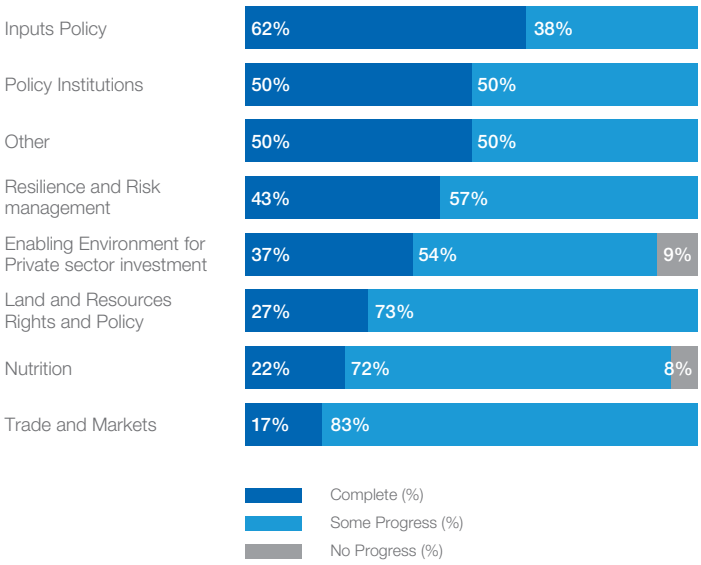
Source: New Alliance for Food Security and Nutrition and Grow Africa Joint Annual Progress Report: 2014-2015

Figure 3: Private-Sector Feedback on the Enabling Environment



Source: Grow Africa Enabling Environment Survey 2014

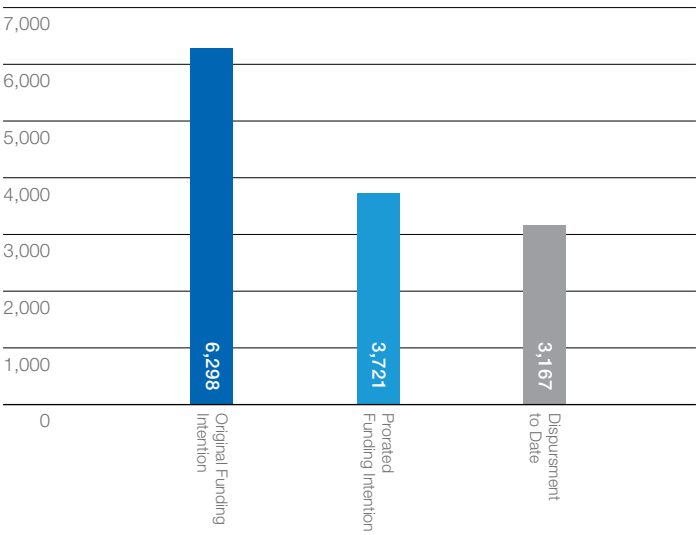
Figure 4: Progress on Policy Commitments



Source: New Alliance for Food Security and Nutrition and Grow Africa Joint Annual Progress Report: 2014-2015

Figure 5: Donor Funding Intention and Disbursement in 2014

Million USD



Source: New Alliance for Food Security and Nutrition and Grow Africa Joint Annual Progress Report: 2014-2015

Akin Adesina
President, African Development Bank

Delivering growth and development in agriculture has called for a new approach, focused on building the African private sector to create wealth that will be shared by businesses and farmers alike. Grow Africa has been both a platform and a catalyst for this new model of inclusive wealth creation, bringing stakeholders together and incubating innovation. Africa must now move away from exporting primary commodities, moving up the value chain into agro-processing and opening regional markets. We must attract both capital and confidence to the sector to enable businesses to access long-term financing crucial to invest in needed machinery, equipment and working capital. Grow Africa has contributed significantly through national and regional value-chain platforms and working groups focused on systemic issues to reducing risk in agricultural value chains, critical for attracting capital and boosting lending to the sector.

Transformation Through Multistakeholder Collaboration

Grow Africa can report demonstrable results from its work in developing multistakeholder partnership platforms to strengthen mutual accountability, cross-sector policy dialogue and collaboration in key value chains or market systems from its first four years.

For example, the number of Grow Africa countries with functioning platforms has risen from two at the end of 2013 to nine by mid-2015, in Côte d'Ivoire, Ethiopia, Ghana, Kenya, Mozambique, Nigeria, Rwanda, Senegal and Tanzania. The focus of these groups, and Grow Africa's role, has varied considerably depending on the local context.

In Mozambique, Grow Africa played a pivotal role in revitalizing the Business Advisory Working Group, which now provides a platform for agribusiness companies to collaborate with each other and engage with the government, donors and other partners on key constraints. Domestic companies report strong benefits from their involvement and credit Grow Africa for its facilitation role.

In Ghana, partners coalesced around a more focused agenda to realize the commercial and developmental potential of industrial uses of cassava. Ten domestic and five international companies now meet regularly with government agencies, donors and academia to identify and overcome gaps and weaknesses in the cassava value chain. This group credits Grow Africa with convening a wider, more influential set of partners, helping to define its objectives and assisting ongoing facilitation.

In Kenya, Grow Africa reinvigorated the private sector's working relationship with the government to advance responsible, inclusive agricultural investment. This has coalesced around partners working together on potatoes and maize – staple commodities that are of commercial, political and development significance.

In Ethiopia, Grow Africa has supported the Agricultural Transformation Agency in the conceptual design of geographical clusters to attract focused investments while achieving economies of scale. This approach is expected to be a core strategy for Ethiopia's agricultural growth.

Wiebe Draijer
Chairman of the Executive Board, Rabobank

Grow Africa has been at the forefront of attracting investments and finance solutions for African agriculture. The global need to double food availability with half the footprint, the continent's untapped resource, and agriculture's potential to provide employment to Africa's rapidly growing youth population – all of this calls to step up our investment and to make finance a facilitator rather than a hurdle. Grow Africa has addressed supply-chain risk and finance as interrelated issues and has brought together agribusinesses and financial institutions to develop integrated solutions. As Co-Chair of the Grow Africa Finance Working Group, Rabobank can testify to the value of Grow Africa's integrated supply-chain approach. We have also joined the World Food Programme's Patient Procurement Platform initiative which continues to receive strong support from the Grow Africa team. This platform promotes long-term market linkages between farmers and off-takers, thereby unlocking high-quality inputs, knowledge and finance for all actors in the chain. Together, supply-chain partners and financiers can find ways to manage risk throughout the supply chain and to develop innovative finance instruments. Grow Africa has proved to be a great incubator for this.

Chris Quarshie
Managing Director, Caltech Ventures; Founding Member, Ghana Industrial Cassava Stakeholders Platform

Capturing a greater share of the value of our agricultural commodities through agro-processing is vital to drive economic growth and attract much-needed capital to the sector. A move to agro-processing at the scale needed to achieve transformation requires collaboration between multiple stakeholders. Grow Africa's role as a neutral broker and its credibility with both international and African private- and public-sector players have been an enormous support to the establishment of the Ghana Industrial Cassava Stakeholders Platform, enabling us to function as a structured vehicle for investment in the cassava market and interface to the public sector.

In Nigeria, Grow Africa has supported the private-sector coalition, Nigeria Agribusiness Group, in building links to government to address enabling environment constraints. Grow Africa also supports the group with linkages to partners for specific value-chain projects.

Elsewhere, including in Malawi and Benin, Grow Africa mapped out the existing forums and institutions and determined that a functioning cross-sector platform was not yet in existence. It is now helping country partners to design the platform structure that can best support their collaboration to deliver on agricultural transformation. Even where no cross-sector platform is operational, Grow Africa's role has strengthened cross-sector communication and collaboration.

A key platform for Grow Africa's partnership-building activities has been the annual Grow Africa Investment Forum. It engages about 300 participants from all stakeholder groups to assess progress, develop innovative solutions and agree on next steps to further advance the implementation of investment commitments in participating Grow Africa countries.

Incubating New Business Models for Responsible and Inclusive Investment

In addition to its work on multistakeholder platforms, Grow Africa acts as incubator for promising business models aimed at addressing systemic issues that hinder responsible and inclusive investment. Work in these areas is centred on business models that lift incomes for smallholder farmers and provide jobs in agriculture. It is driven by two Grow Africa Working groups – one on finance and one on smallholder engagement. Both working groups convene around 15-20 members on a monthly or bi-monthly basis to share best practice on specific issues; for example, effective models for reducing side-selling by smallholder farmers.

In addition to knowledge sharing, the Finance Working Group also incubates specific initiatives aimed at addressing systemic finance problems. For example, the Grow Africa Secretariat and its Finance Working Group are working on the Patient Procurement Platform with Grow Africa the United Nations' World Food Programme and Rabobank. This platform will provide a stable demand-driven purchase system that aggregates competitive, reliable, medium-term contracts between farmers and buyers into one platform. Buyers will include the World Food Programme and private-sector food purchasers. In 2016 the Patient Procurement Platform is being piloted in Tanzania, Rwanda and Zambia, with 75,000 tonnes of aggregated demand for maize and beans from more than 70,000 smallholder farmers.

Salum Shamte
Board Member, Southern Agricultural Growth Corridor of Tanzania

Public-private sector collaboration is a relatively young concept in African agriculture and implementation models are still evolving. Drawing on the World Economic Forum's long experience in achieving systemic change through multistakeholder dialogue, and on strong support from NEPAD and the AUC, Grow Africa has been a pioneer in catalyzing, supporting and promoting different models of multistakeholder partnership tailored to the national agricultural agenda and market context. Among the earliest of these models, The Southern Agricultural Growth Corridor of Tanzania (SAGCOT) is lifting millions of small holder farmers out of poverty and has succeeded in achieving Tanzania's status as one of the few African countries to be sustainably food secure.

Svein Tore Holsether
Chief Executive Officer, Yara International

Yara realized early on in our operations in Africa that the international private sector cannot simply serve the agribusiness market in Africa; it must be part of creating that market. That requires close collaboration among all of the players in that market, and a joint effort to address numerous systemic issues and reduce the supply chain risk that, in turn, stifles lending and investment in the sector. No one company, or stakeholder group, can achieve this alone. This is why neutral platforms with the credibility and convening power of Grow Africa are so vital to creating robust supply and demand that unlocks finance and attracts innovation in services to the sector.

Developing Information and Decision-Support Tools

Another dimension of Grow Africa's work is the development, with partners, of digital tools and services that support stakeholders in investment decisions. The Grow Africa Online Community Platform is one of these tools with the capability to support matchmaking, collaboration and communication among cross-sector partners. More than 1,000 users are now registered. For many domestic companies the community platform is their primary online presence.

Another example is the Gap Analysis Tool for Agriculture (GATA). GATA allows farmers to compare their performance in their crop-specific value chain with best practices. It allows them to identify the levers for productivity improvement and assess the return on investment in specific activities. Furthermore, the tool allows investors, suppliers and downstream players in the value chain to identify investment/intervention opportunities and review the net present value of such actions.

As such, the tool provides insights to all players in the end-to-end value chain (from farmer-input supplier to product-market operator) on how to enhance the performance of the whole chain and how to increase their involvement in a profitable way. The tool was developed with pro bono support from A.T. Kearney and was piloted in 2014 the National Farmers' Federation and the Ethiopian Agricultural Transformation Agency.

Farmer Engagement and Capacity Building

In addition to the work of the Grow Africa Smallholder Working Group, Grow Africa supports and promotes the inclusion of smallholder farmer organizations in multistakeholder platforms and dialogue. For example, Grow Africa engaged KENAFF to trial the GATA tool, and sponsored 16 farmer organization representatives from nine countries to attend the Grow Africa annual investment forum – a key platform for finding partners and sharing best practice.

Emmanuel Ijewere
Chairman, Best Foods and Coordinator, Nigeria Agribusiness Group Associates

Diversifying Nigeria's economy to overcome dependence on the oil and gas industries requires a clear focus on agriculture and, in turn, a coordinated effort on the part of multiple stakeholders to establish the agricultural sector as one capable of attracting substantial domestic and foreign investment that can drive inclusive economic growth. Grow Africa has been highly influential in building links between the Nigeria Agribusiness Group (NABG) – an organized private-sector platform for all agriculture and agribusiness associations in Nigeria – and government to overcome enabling-environment constraints. Grow Africa is also supporting the NABG in convening stakeholders to address specific value-chain and infrastructure-investment opportunities.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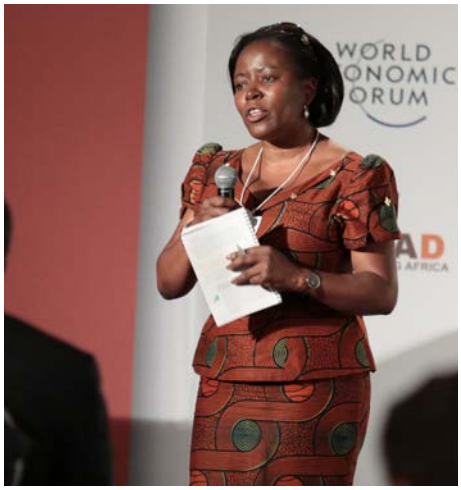
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A New Form of Leadership: The Path to Transformation

Most of the pressing problems facing the world today are systemic. Addressing them will require new ways of thinking and new models for cooperation. Fragmented initiatives, conflicting priorities and uncoordinated approaches continue to hold back progress. The need for coordinated action is more urgent than ever. Grow Africa is one example of a new wave of platforms for public-private sector collaboration that provide a model for how to organize collaboration to address systemic problems.

Grow Africa has been a catalyst, architect and facilitator in aligning diverse stakeholder interests around common goals to accelerate agricultural transformation in Africa. With the backing of its influential founders, Grow Africa has received strong support from the highest levels of government, business, farmer organizations, and civil society – many of whom are quoted in this report – who have acted as champions for the broader cause of increasing responsible agricultural investment and for the work of the partnership on the ground. Grow Africa has been a platform for creating a new level of shared vision, innovation, commitment and bold leadership among these leaders who have set a public example and blazed a trail for others to follow.

Grow Africa's work has shown that it is possible to align the interests and incentives of stakeholders who are otherwise frequently portrayed in conflict. It is possible to achieve a return on agricultural investment that benefits the investor while contributing to Africa's economic growth and boosting incomes and job opportunities for the rural communities across Africa. The partnership has demonstrated the value of building a shared agenda among many stakeholders to create long-lasting results in Africa, and it has helped change mindsets both among African governments and institutions as well as international businesses, enabling them to see the potential and possibility for agriculture on the continent.

Ibrahim Mayaki
Chief Executive Officer, The New Partnership for Africa's Development (NEPAD) Planning and Coordinating Agency

"In 2014, the 34 African nations that committed, through the CAADP process, to increasing growth in the agriculture sector signed up to ambitious targets for the next 10 years. Achieving them – from improving regional trade to reducing post-harvest losses – will require a significant increase in private-sector investment. More than this, it will require a smarter combination and application of public, private sector and donor funds, backed by supportive government policies. We need large-scale platforms for multistakeholder collaboration of the kind that we have co-founded with the support from the World Economic Forum, which has done a great job in incubating Grow Africa. NEPAD is committed to strengthening and scaling Grow Africa as a key tool to mobilize and align the private-sector investment that will be critical to meeting the targets articulated in the Malabo Declaration and driving transformation within the agricultural sector across the continent."

On one side, African public-sector bodies have sought the assistance of the private sector in building a policy environment conducive to investment. On the business side, global companies are willing to organize value chains for African markets. And all of these efforts are based on an understanding that no one player can do it alone – only a concerted effort can bring success.

Grow Africa's work is specific to African agriculture. Yet it surfaces important lessons on success factors for large-scale systemic change that can be applied to other problems in very different sectors.

1. Committed "champions" are needed to catalyse agriculture-sector transformation.

The idea for Grow Africa came from a small number of political, business and farmer leaders committed to changing the thinking on African agriculture and convinced that unlocking private-sector investment was key to transforming the sector. Their belief that a coalition of partners could bring about large-scale change drove the institutional support from Grow Africa's founders that enabled the partnership to succeed.

2. A neutral body is needed to align stakeholders and ensure strong and continuous facilitation.

Addressing systemic problems that frequently arise primarily from misaligned goals and incentives requires more than just the will of individual stakeholders to tackle the problem. A neutral facilitator – a non-partisan person or organization who commands respect and credibility with all stakeholders – is needed to create a shared mindset, goals and accountability frameworks. In Grow Africa's case, it was the backing of both the World Economic Forum and the African Union with NEPAD that gave it credibility and legitimacy. Sustaining collaboration also requires continuous facilitation to ensure continued alignment of stakeholders. This has been Grow Africa's core role during its incubation at the World Economic Forum, building on the Forum's strength in designing and initiating platforms for multistakeholder collaboration with its ability to convene stakeholders to address specific issues.

3. Accountability and transparency are key for long-term success.

The diversity of stakeholders needed to achieve systemic change typically results in a broad spectrum of incentives and goals for participation. It is vital that a common, clearly defined project goal is articulated and results continuously assessed against it. It is also important that each stakeholder group is held accountable for specific actions and targets in accomplishing the project. Finally, transparency in communicating both progress and obstacles within the group, and the impact of the project externally, is key for multistakeholder platforms to benefit from ongoing high-level support. Grow Africa has played a key role in facilitating accountability and transparency in the platforms it supports, for example, through the annual stocktaking process in which companies report on the impact of their work on increasing smallholder incomes and job creation.

Ishmael Sunga
Chief Executive Officer, Southern African Confederation of Agricultural Unions

"Grow Africa has contributed significantly to the development of market-driven business models that include the smallholder farmer as a stakeholder in agricultural value chains. These are some of the business models we need if we are to realize agriculture's potential for job creation and income improvement among Africa's rural population. Grow Africa's work in developing models for the delivery of products and services to them is a vital support to farmers' organizations that must now focus on modernizing and becoming more effective negotiating partners in agricultural partnerships."

These lessons guide the next phase of Grow Africa's development, supporting the agricultural transformation needed to achieve the ambitious targets set in the Malabo Declaration. Supported by NEPAD, its new host, the Grow Africa Secretariat will focus on strengthening the platforms the partnership has incubated and facilitated, connecting new partners and expertise to accelerate the impact of these platforms. From its African base, working with a New Alliance Secretariat now hosted by the AU, the Secretariat will look to strengthen in-country commitment to the Country Cooperation Agreements to ensure alignment and measurement of public- and private-sector investment commitments around these tripartite frameworks. In its first four years supported by the World Economic Forum, Grow Africa has been an incubator for effective models of multistakeholder collaboration. It's now time to scale what works.

Supporters

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World Economic Forum
91-93 route de la Capite
CH-1223 Cologny/Geneva
Switzerland

Tel.: +41 (0) 22 869 1212
Fax: +41 (0) 22 786 2744

contact@weforum.org
www.weforum.org