

GROW AFRICA

PARTNERING FOR AGRICULTURAL TRANSFORMATION



GROWAFRICA

WHO WE ARE

The Grow Africa partnership was founded jointly by the African Union (AU), The New Partnership for Africa's Development (NEPAD) and the World Economic Forum in 2011. Grow Africa works to increase private sector investment in agriculture, and accelerate the execution and impact of investment commitments. The aim is to enable countries to realize the potential of the agriculture sector for economic growth and job creation, particularly among farmers, women and youth.

Grow Africa facilitates collaboration between governments, international and domestic agriculture companies, and smallholder farmers in order to lower the risk and cost of investing in agriculture, and improve the speed of return to all stakeholders. The Grow Africa partnership consists of the founding members, 230 companies that have signed Letters of Intent to invest, along with their government counter-

signatories, the donor organizations that fund the secretariat, and a small number of expert collaborators – companies that work with Grow Africa on specific issues. The broader Grow Africa network includes farmer, civil society, development, and research organizations.

Grow Africa is headquartered at the NEPAD offices in Johannesburg and operates under the leadership of an Executive Director who reports into a Steering Committee comprised of members of Grow Africa's core stakeholder groups. A secretariat team based in Johannesburg provides services across Grow Africa's member countries while two regional country teams cover Grow Africa's work in-country within East and Southern Africa and West and Central Africa.

Current and past funding support has been provided by partners including USAID (USA), DFID (UK) and SDC (Switzerland).

WHAT WE DO

Grow Africa is a convener and catalyst. We bring together the stakeholders necessary to make private sector investment effective. We incubate and support platforms and business models that enable those stakeholders to work together. We also play an important role in disseminating knowledge and best practice on making responsible agricultural investments work on the ground.

We do not have an implementation or project management role, but work with technical partners who implement the projects we initiate or support. Nor do we provide funding for projects – as a convener, we help partners to connect and develop collaborations, and support the development of innovative multi-stakeholder funding vehicles.

FACILITATING INVESTMENT AND PARTNERSHIP

Grow Africa focuses at **national** and **regional** level on:

- Developing and incubating value chain partnerships that support national agricultural investment plans
- Mobilizing and supporting the implementation of responsible private-sector investment

IMPROVING THE ENABLING ENVIRONMENT FOR RESPONSIBLE AGRICULTURAL INVESTMENT

Grow Africa also plays a key role in improving the enabling environment for responsible agricultural investment by:

- Generating and disseminating knowledge and best practice related to effective implementation of investments
- Facilitating access to affordable finance and technical expertise
- Maintaining leadership commitment to agriculture



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*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.*
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Hailemariam Dessalegn,
Prime Minister of Ethiopia

WHAT WE DO

INCUBATING AND SUPPORTING VALUE CHAIN PARTNERSHIPS

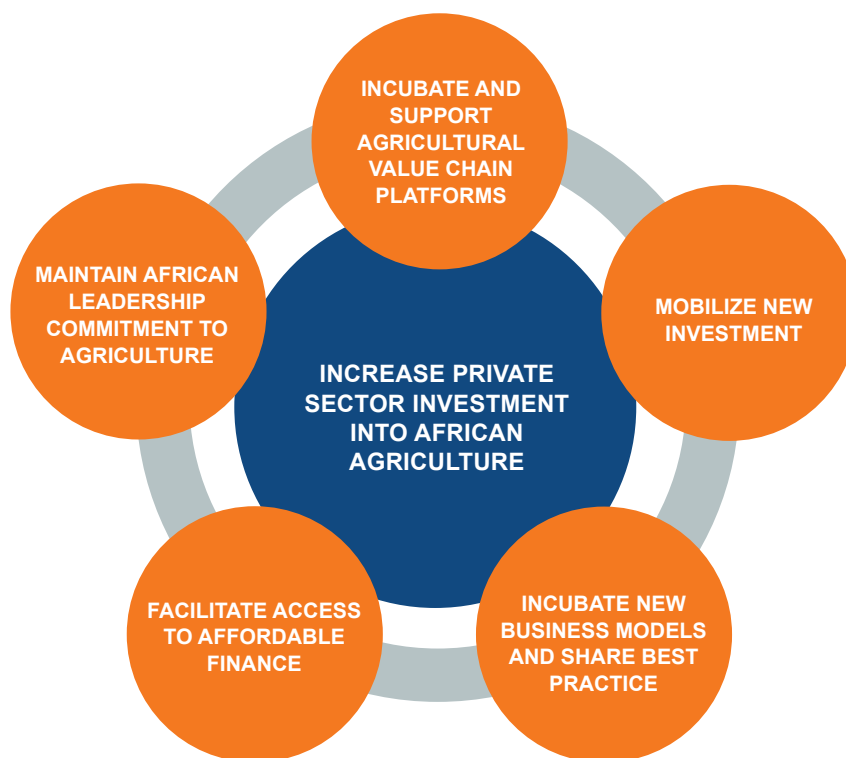
Grow Africa incubates and develops effective models for aligning private sector, public sector and development partner investments in African agriculture. A focus on integrated commodity value chains (or agro-zones) is increasingly seen by key African institutions, and by Grow Africa, as one of the most effective models for accelerating the implementation of National Agricultural Investment Plans (NAIPs), and agricultural transformation on the continent.

Incubating and supporting commodity value chain platforms in support of NAIPs forms the core of Grow Africa's work.

The Grow Africa Secretariat:

- Works with partners to establish commodity value chains where commercial opportunities exist that are in line with national agricultural plans and show high potential for enabling growth of the domestic agribusiness sector, improving smallholder incomes and creating rural jobs.
- Mobilizes and supports private sector investment required to enable the commercial potential of the commodity value chains it supports.
- Facilitates public-private sector alignment on policy and infrastructure enhancement to enable the effective implementation of private-sector investments.

GROW AFRICA'S APPROACH



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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.
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Akinwumi Ayodeji Adesina
President, African Development Bank

WHAT WE DO

MOBILIZING RESPONSIBLE PRIVATE SECTOR INVESTMENT

Grow Africa mobilizes private sector investment and supports companies that sign Letters of Intent to invest (Lols). These letters are counter signed by the respective government. Though not legally binding, these investment intentions are made public and are monitored annually by Grow Africa in terms of progress and impact on jobs and farmer incomes as part of the New Alliance for Food Security and Nutrition, which Grow Africa supports. The New Alliance aims to make public and private-sector investments and donor funding more effective by brokering targets for all three parties within Country Cooperation Agreements that are tracked annually. Grow Africa supports companies that have signed Lols by linking them into commodity value chains and brokering contacts with relevant partners.

KNOWLEDGE SHARING AND SUPPORT FOR BUSINESS MODEL INNOVATION

In addition to its work to support private-sector investment in specific value chains, Grow Africa supports the sharing of knowledge and best practice on issues common to all commodity value chains. It does this through working groups that convene topic experts who meet regularly both virtually and in person. Grow Africa currently hosts a Smallholder Working Group and a Finance Working Group.

Grow Africa also supports projects that attempt to address systemic problems through new business models. An example of this is the Patient Procurement Platform, a consortium of organizations that works to create demand-led value chains for food crops based on long-term relationships between buyers, farmers and suppliers of finance, inputs and technical expertise. Farmer organizations use forward contracts from buyers as collateral to finance productivity improvements, creating a virtuous circle of improved incomes for farmers and reliable, quality supply for buyers.

FACILITATING ACCESS TO AFFORDABLE FINANCE AND TECHNICAL EXPERTISE

Access to affordable finance and risk mitigation instruments (e.g. insurance) remains one of the biggest barriers to accelerating agricultural investments, particularly for domestic African companies. The growth of these companies is vital to job creation and improved smallholder farmer incomes. Grow Africa brokers connections between agribusinesses and financiers and hosts a Finance Working Group that focuses on developing multi-partner solutions aimed at reducing business and financial risk in agricultural value chains.

MOBILIZING LEADERSHIP COMMITMENT TO AGRICULTURAL TRANSFORMATION

Mobilizing and maintaining support for agricultural transformation among African leaders is critical to ensuring continued public funding necessary for infrastructure improvements that attract and lower the risk of private sector investment. Grow Africa uses its convening power to engage African and global leaders in dialogue at forums such as the Grow Africa Investment Forum and various World Economic Forum meetings, particularly the annual World Economic Forum on Africa.



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

OUR IMPACT

Grow Africa's mission is to increase private sector investment in agriculture that drives job creation and increase in rural incomes. Since its launch in 2011, Grow Africa has mobilized US\$10 billion in investment commitments by 230 companies.

- At the end of 2015, US\$ 2.3 billion of the committed investment had been implemented.
- 70% of committed investments are by African agribusinesses, which also account for 73% of the implemented investment amount.
- This investment provided 10 million smallholder farmers with services and contracts in 2015.
- A total of 88,800 jobs have been created over the three years.

Grow Africa's impact has been and continues to be broader than the figures alone reveal. Backed by its three founding partners, Grow Africa has been a catalyst in changing thinking about African agriculture, contributing to a recognition among governments and donors that private-sector investment is vital for agricultural transformation to succeed and that public and donor funds can be used to incentivize and increase the impact of private-sector investment. Building on the substantial body of knowledge from the World Economic Forum, Grow Africa has incubated the development of multi-stakeholder business models and platforms that enable public and private sector investors and donors to collaborate effectively.

WHERE WE WORK

Grow Africa's work is currently focused on 12 countries in East and Southern and West and Central Africa. These countries were interested at an early stage in taking advantage of Grow Africa's support to mobilize private sector investment in alignment with their CAADP Plans. Grow Africa intends to add additional CAADP countries going forward.



WHERE WE WORK

Focus projects by country and region include:

WEST AND EAST AFRICA

- **Cassava platforms:** In partnership with IDH – the Sustainable Trade Initiative – Grow Africa has launched and supports national cassava platforms in Ghana, Nigeria and Mozambique aimed at building a market for cassava products used in industrial processes. The platforms bring together producer groups, processors, off-takers, financiers and the public sector to work together on building links between actors along the chain at the national level. Cassava is traditionally a subsistence crop, which, being highly perishable, has mostly been consumed at the household level. However, it can also be turned into high quality cassava flour (HQCF), food grade starch, and food grade ethanol. Its applications range from food and drink products to glues, plywood, textiles and pharmaceuticals. The three platforms aim to realize the commercial potential for cassava products, creating a reliable supply of demand that will benefit smallholder farmers who currently only grow this crop for household food supply.

WEST AFRICA

- **Rice initiative:** Grow Africa has launched an initiative in West Africa to convene effective national rice platforms across rice-producing countries in both West and East Africa, as well as regional-level platforms to promote regional trade policy, harmonization of regulation, land reform and alternative financing approaches. Grow Africa is beginning this work by convening representatives of existing rice platforms to determine areas of alignment and gaps in existing platforms.

EAST AFRICA

- **East African potato platform:** The East African Potato Consortium, launched and co-chaired by Grow Africa and AGRA, aims to establish a robust potato value chain in East Africa, focusing on opportunities for value addition. Potato production in the East African Community has grown by 340% over the past 20 years, and average potato consumption has increased at a similar pace, growing by approximately 300% in the same period. Despite this growth in production and consumption, potato farmers have failed to benefit, with farm-gate prices remaining very low. The platform aims to create structured value chains to deliver on the opportunity to more than double farmer incomes in parts of the region.
- **Horticulture working group, Rwanda:** The Rwanda Horticulture Working Group was launched in August 2015 by Rwanda's National Agriculture Export Board to provide a platform for dialogue between stakeholders in the sector, and a channel for formal dialogue with government on issues. The Rwandan government is looking to develop the sector, with a target to increase horticulture exports from US\$ 6 million in 2013 to around US\$16 million in 2018. Grow Africa supports the platform by brokering relevant links to private-sector companies.
- **Business Advisory Working Group Mozambique:** The Business Advisory Working Group (BAWG) is a private sector led platform aimed at providing one voice of private-sector agribusinesses to government. It was launched jointly by Grow Africa and USAID's SPEED (Support Program for Economic and Enterprise Development) program. There is significant private sector interest in investing in agriculture in Mozambique, given that only 10% of the 78.6 million hectares suitable for farming is currently under cultivation. The group prioritizes issues based on surveys of its member base and raises these with the appropriate government ministry. The group also engages with financiers to improve the availability of finance at lower rates.



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It is clear that developing commercially 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.”

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Paul Polman,
Chief Executive Officer, Unilever

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GROW AFRICA FOUNDING PARTNERS



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Grow Africa gratefully acknowledges the current and past support of the development partners listed below.



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