

# GROWAFRICA



## Country Agribusiness Partnership Framework

CARD SC Meeting  
Nairobi 10 June 2019

## Outline

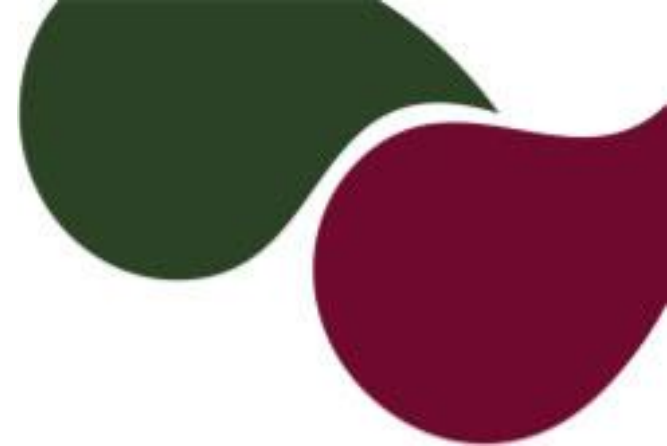


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# Grow Africa

[www.growafrica.com](http://www.growafrica.com)

- The Grow Africa was founded jointly by the African Union (AU), the New Partnership for Africa's Development (NEPAD Agency) 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.
- From 2016, the initiative moved to its African home is now a fully fledged programme of African Union Development Agency NEPAD
- Grow Africa works through country and regional partnerships to facilitate collaboration between governments, international and domestic agriculture companies, and smallholder farmers.
- The programme contributes to achievement of Aspiration 1 of Agenda 2063; ***“A prosperous Africa, premised on inclusive growth and sustainable development”***, the CAADP process, specifically the Malabo Declaration which committed to enhance financing in agriculture
- Footprint in 15 AU member states in 2019



# Background

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## • **Maputo Declaration – CAADP (2003)**

- Continental policy framework for agricultural transformation, wealth creation, food security and nutrition, economic growth and prosperity
- Heads of State and Government committed to 10% public expenditure to agric., 6% agric. growth
- CAADP implemented at country-level through National Agriculture Investment Plans

## • **Malabo Declaration (2014)**

- Heads of State and Government reaffirmed commitment to CAADP principles and targets
- Defined targets beyond agriculture, emphasising on - Inter-sectoral cooperation and coordination; National Agriculture Sector/Investment Strategic Plans as the vehicle for implementation, and stronger emphasis on measuring results

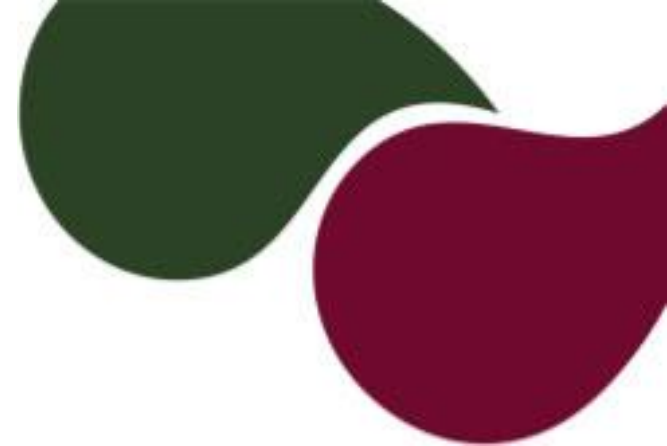
## • One of key commitments in the Malabo Declaration was to **“enhance investment financing in agriculture”** from public and private sector

- Departure from traditional emphasis on public sector driven investment
- Private sector recognised as an important partner in agricultural transformation process

- **How have countries performed on Malabo commitment on financing in agriculture?**

- For the review period of 2015 -16 member states allocated public spending in agriculture at different rates, ranging from 0.6 % to 17.6%
- Ten (10) Member States met the target

- Governments encouraged to enhance policy and institutional mechanisms that would facilitate increased private sector investment in agriculture, agribusiness and agro-industry
- Such mechanism would allow agribusinesses to effectively engage policy decision makers on priority actions to unlock private investment
- **The Country Agribusiness Partnership Framework was developed to respond to this need**



# Defining CAP-F

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# Defining CAP-F

## What is a Country Agribusiness Partnership Framework?

A CAADP country engagement and partnership tool that mobilises private sector action aligned to National Agriculture Investment Plans

The development of CAP-F was motivated by Malabo Declaration which shifted the country focus from results based on public investments to an increased emphasis on stimulating private investments

As a result, several countries have moved on to develop second generation Agriculture sector strategies which are Malabo compliant





# CAP-F Value Proposition



# Pre- Malabo efforts have yielded important lessons that are critical to successfully mobilizing private investments in Africa

## Challenges

- Investment commitments were not fully aligned with country NAIPs, limiting coordination with government priorities
- Investments did not support the country priorities on food security and nutrition hence received minimal government support
- Unpredictable policy decisions that compromised commercial viability

- Limited domestic ownership of the New Alliance and Grow Africa partnership platforms impacting effectiveness
- Limited civil society participation and transparency causing limited impact on smallholder farmers
- Insufficient mechanisms for mutual accountability leading to unmet commitments

## CAP-F Approach (Functions)

- A mutual accountability framework ensures policy and non policy commitments are recorded and monitored regularly
- Partnerships will be anchored to CAADP based national agenda to ensure investments align with government priorities
- Engagement will commence at the official level and commitments made will be approved at all appropriate levels of Government

- Incorporating coordination structures with-in existing in country platforms to ensure alignment of efforts
- Transparent and inclusive engagement of the relevant stakeholder groups at all stages aiding accountability
- Institutionalized Monitoring and Evaluation mechanisms supervised by multi-stakeholder groups
- Country led and owned

Policies

Structures

# CAP-F Value Proposition

*Key goal*

Private Sector Investment Actualised, that impacts smallholder integration and employment

## FACILITATING COLLABORATION AND COORDINATION

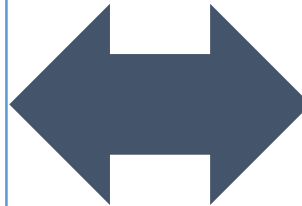
CAP-F will facilitate coordination of policy changes and investments to support investments actualization

Political Commitment to policy reforms  
(conducive investment for legislation,  
regulation and implementation)

Accelerated responsible and inclusive private sector  
investment in value chains

*Objectives*

- CAP-F will support stakeholders in **identifying systemic policy issues inhibiting agribusiness development; prioritizing policy challenges and identifying the most-suitable options for resolution**
- CAP-F will **strengthen policy and institutional support systems** to drive policy change



- CAP-F will **support countries in mobilizing and unlocking investment finance** from all stakeholders involved (private sector players, governments and development partners) to support agricultural activities
- CAP-F will play a key role in **matching investment finance with key gaps and needs along value chains**, ensuring that investments are channelled to where they are needed most

*Outcome*

**Term Sheets (PP/ NSA Partnerships for Investments)**



# CAP-F Concept

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# 1. Investment Commitment Generation

Generating cross-sector commitments to act in concert on policy, investments, and catalytic support.



## Commitment Concept

Annual Public Register of Cross-Sector Commitments:

- Companies: Responsible Investments
- Government: Policy Reforms, Public Infrastructure
- Donors, Non State Actors & Farmer Organizations: Catalytic Funding, Technical Assistance & Societal Programmes

Commitments are generated on the basis of areas of private sector investment interest aligned to NAIPs and along priority value chains, geographic areas or market systems.

New commitments made for upcoming year. All commitments publicly available, with some non-confidential data annexed.

## Benefits:

- Overcoming collection action problem
- Investor confidence
- Transparency and accountability
- Targeting of public sector effort
- Agile to changing context, whilst aligned to multi-year NAIP.

## 2. Reporting on commitments

Annual reporting to ensure mutual accountability and learning for all actors



### Reporting Concept

- Annual Stocktaking: Each value chain partnership gathers updates on progress and challenges for all commitments. Government CAP-F secretariat to coordinate with tools and support from Grow Africa and ReSAKSS.
- Data Validation: Partners cross-check accuracy of self-reporting (as part of country review).
- Country Reports: Analysis of aggregated country data compiled as Agribusiness Chapter for Joint Sector Review (JSR).
- Biennially, JSR chapters contribute Agribusiness data for Malabo Progress Report
- Grow Africa uses data to prepare annual report on agribusiness investments

### Benefits

- Accountability to deliver on pledges
- Early identification of systemic issues or opportunities
- Progress data builds momentum

Reviews at national and continental-level to promote continuous improvement



#### Review Concept

- Joint Sector Review – CAP-F Sub-Review: Cross-sector partners analyse progress & impact of CAP-F in context of wider NAIP. Two outputs: 1) JSR Agribusiness Chapter; 2) New or updated commitments for next Annual CAP-F.
- Malabo Biennial Review: Primary continental review integrates aggregated data from CAP-F.
- Grow Africa hosts annual forum of business leaders to review progress of investments and announce new commitments
- NEPAD Heads of State & Government Steering and Orientation Committee meet annually with Grow Africa business leaders to review continental progress of investments and status of unlocking challenges to agribusiness contribution to CAADP implementation.

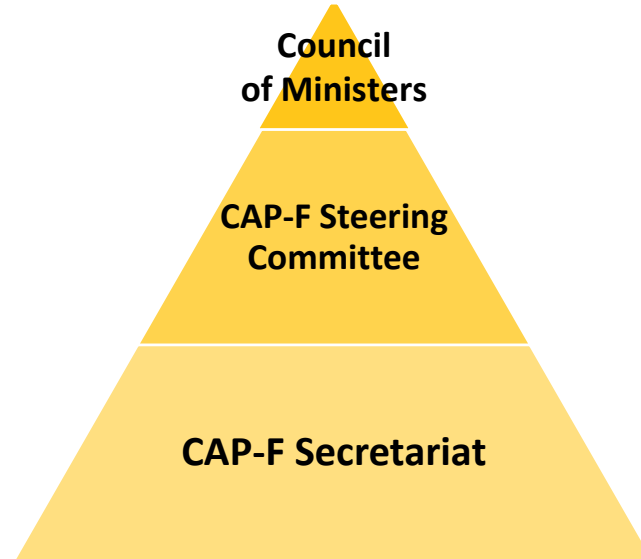
#### Benefits:

- New or improved commitments
- Mutual accountability
- Recognition of success

# 4. CAP-F Coordination



## Governance and Support



A conclave of Ministers (Agriculture, Finance, Industry, Trade and Commerce) led by the Head of State/Government.

Manages and guides stakeholders under CAP-F.

Reports to Agriculture Sector Working Group.

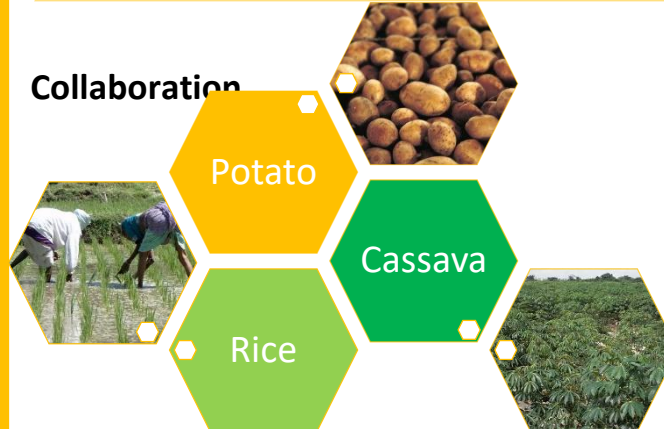
Mobilizes investments, coordinates different value chain platforms.

Focuses on policy acceleration

Coordinates monitoring & evaluation

Contact Point for all stakeholders

## Collaboration



MS Platforms and value-chain specific Business Networks for ongoing collaboration within specific value chains.





## Private Sector Coordination & Support

## Public Sector Coordination & Support

## Continental Coordination & Support

### ROLES & RESPONSIBILITIES OF CORE TEAMS

#### Grow Africa

- Establishment of multistakeholder platforms and value chain specific business networks for private sector engagement, mobilisation of investments and realization of commitments into tangible commercial activity.
- Guidance for countries on the development of business cases for private sector investment especially for the creation of PPPs along specific value chain partnerships.
- Assistance with the identification of investment opportunities and policy needs for specific value chain partnerships.
- Host an annual investment forum bringing together the private sector, policy makers and non-state actors to announce public-private partnerships and show case investment opportunities

#### NEPAD CAADP Team

- Leadership and monitoring of transition to second generation NAIPs and the establishment of CAP-F structures in country.
- Monitoring policy change commitments & facilitating capacity building, including through CAADP Technical Networks.
- Results Measurement and maintaining Accountability to Heads of State through Malabo Biennial Review
- Guidance & advocacy on CAADP process and how CAP-F fits within this.

#### AUC DREA/NA and ReSAKSS

- Mobilizing political support for CAP-F at continental level
- Guidance on key policy areas in response to issues highlighted by CAP-F
- Advocacy to Governments and donors to address issues; including mobilizing resources.
- Through ReSAKSS, support for country reporting and coordination of continental reporting.

#### CAADP TN for Agro-industry & Value Chain Development

- Technical assistance to national governments on value addition to agricultural commodities and general agro-industrial development.
- Supporting non-state actor partnership development.
- Capacity building for producers on product quality, appropriate technologies, policies and organization of last-mile delivery of agricultural inputs and services.

## CAADP Agribusiness Partnership Team

Facilitates collaboration and planning between core teams.

### Membership

1. AUC DREA – Chair
2. NA
3. NPCA
4. DPCG Rep
5. NSA/TN Rep
6. Grow Africa (Convener/ Secretariat)

Monthly calls & Quarterly meetings

# Grow Africa Business Model for CAP-F Implementation



# 2019 CAP-F Countries

Ghana



Mozambique



Kenya



Uganda



Nigeria



South Africa



Tanzania



Eswatini



Sierra Leone



Seychelles



Malawi



Zimbabwe



Senegal



Benin



Cote d'Ivoire





# Actualisation of Investor Commitments: The Deal Pipeline



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# What Is a Term Sheet

A term sheet is the “**agreement to agree**” on the main points of a business deal

- Agriculture deals are partnerships deals. The main parties in these deals are;
- A) The Public Sector
- B) The Private Sector
- C) Non State Actor/s

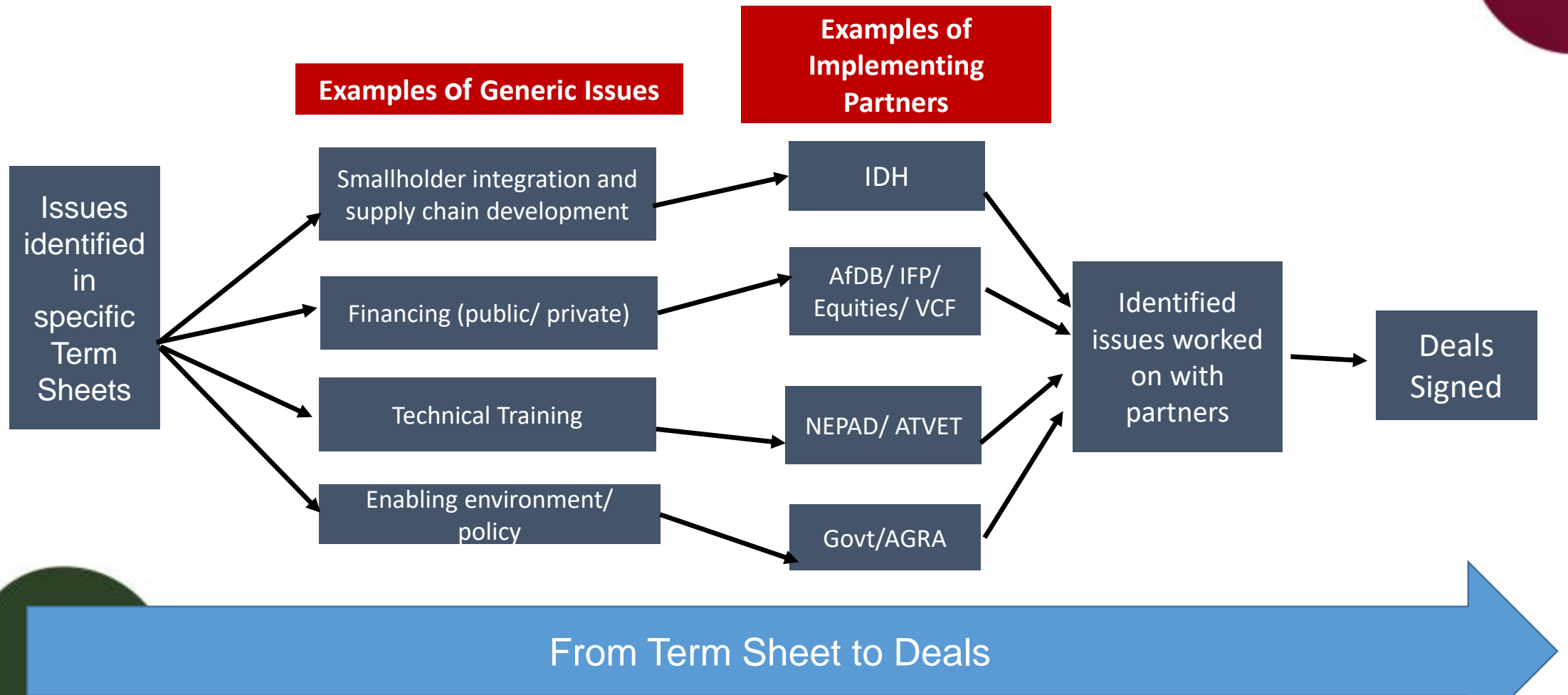
NSA “will support farmer training, policy alignment etc.”

Public Sector “Will work on policy A/ public investment so you can invest”

Private Sector “Will invest USDx once policy A is worked on/ public investment is made”



# Deal pipeline is created between Term Sheet and Signed Deal





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