



Annual Report **2020**

Nurturing Change Across African Agriculture





AGRA

Annual Report 2020

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Statement from our Chair

Unity, resilience and resolve



In my first full year as Chair of the Board of Directors of AGRA, I had thought that my main concern would be how we could expand opportunity to millions of Africa's smallholder farmers. Instead, the COVID-19 virus tore across the world, claiming the lives of nearly 3 million people globally and counting. The African continent has not been spared, and here at AGRA, people also lost friends and relatives. I would like to extend heartfelt sympathies, on behalf of the Board, to all those affected by the pandemic.

A major achievement was working with governments, to ensure COVID-19 did not create a food security crisis. Throughout the year, we built out our COVID-19 response and adapted as the situation evolved, following the lead of our governments, working closely with continental bodies and our implementing partners. We invested more than USD11 million to support government co-ordination, SMEs, data and analytics, political economy analysis, and other rapid COVID-19 responses within national priorities. With our PIATA (Partnership for Inclusive Agricultural Transformation in Africa) partners, we mobilized a COVID-19 task force to coordinate our work and target mitigating measures. Despite the fact that COVID-19 impacted on our ability to travel or provide technical support directly to our grantees and partners, we adapted our working methods to keep our staff safe and support our work.

As the situation evolved in 2020, Africa's smallholder farmers had to adapt to the new reality of lockdowns, restrictions and supply chain disruptions. As you would expect, they responded to these challenges with resilience and ingenuity. I believe this year will be remembered for the many ways in which people stood together.

Challenged by the needs and initiative of our constituency, AGRA also had to adapt, finding new ways of working and devising new approaches to the challenges of food security and agricultural transformation. I was very impressed with the togetherness and resolve everyone at AGRA demonstrated during this difficult time – with the serious intent to help Africa's farmers feed their families, communities and the continent in these hard times.

Despite COVID-19, our tenth AGRF Summit 2020, organized together with our AGRF Partners Group, drew a record 10,400 delegates from all over the world. During the four-day virtual summit, heads of government, government ministers, civil society and business leaders discussed how to use Africa's flourishing urban food markets to achieve a more resilient, better nourished and more prosperous future for all. Held in Kigali, Rwanda, the event combined virtual and in-person panel discussions, plenary sessions and workshops, and reconfirmed AGRA's reputation as a premier convenor among African institutions.

2020 was the fourth year of our 2017-2021 strategy, which has seen us transition to an integrated delivery model to catalyze agricultural transformation, aiming to reach 9 million farmers directly and 21 million indirectly across 11 focus countries – targets we are on course to achieve and even exceed.

Through this strategy, AGRA has evolved into an African institution with the capabilities to support governments and the private sector to resolve persistent systemic challenges to an inclusive agriculture transformation. AGRA is now focused on support to functioning systems that strengthen the private sector's role in agricultural systems and enhance state capabilities to drive impact at scale.

This report speaks to our emerging results over the last four years, but I want to underscore that the success of our onward journey depends upon successful collaboration in all areas of our work. Together with our partners, we believe we can deliver meaningful change to transform the lives and livelihoods of Africa's smallholder farmers.

As we begin to move towards a new strategic period, we are also taking inspiration from the UN Food Systems Summit in 2021. We will continue to uphold and further develop our key principles of inclusivity, environmental sustainability, resilience, economic viability, and mutual accountability among stakeholders.

And by maintaining the unity and strength we demonstrated in 2020, I believe AGRA can overcome any future challenges we may encounter – together with our partners. I would personally like to thank every member of staff for their remarkable efforts during this extraordinary year.

H.E Hailemariam Dessalegn

Former Prime Minister of Ethiopia, Chair of the Board of Directors of AGRA

Message from our President

African challenges, uniquely African solutions



Welcome to our 2020 Annual Report. The theme of this year's report is how AGRA has been nurturing change and how we begin to see this impact farmers. We highlight the emerging results of AGRA's work as we enter the final year of our 2017-2021 strategic period. We have drawn out our impact at national level, at the level of the key systems necessary for agriculture to work, and at how farmers themselves have been able to take advantage of new opportunities.

The last four years have been challenging for African agriculture with climate change turning into a reality, with the associated advent of Fall Armyworm and resurgence of locusts in the Eastern part of the continent. These have all been compounded by COVID-19.

Despite these challenges, AGRA delivered results on the ground, working alongside our PIATA partners. We exceeded many of our targets as we work with our partners to improve the livelihoods of smallholder farmers and build resilience among rural communities.

During the year, we reached over 3.9 million smallholder farmers, taking our total of farmers directly reached to some 10 million over life of strategy. Beyond this, we estimate that 44 million farmers have been touched in some way by AGRA since it was founded in 2006 through our work to advance functional input systems and capacity, and policy support to governments.

These are not hypothetical figures. Farmers reached are more likely to have had access to quality inputs, output markets and to have learned better farming. In many cases, this has led to improved yields, income and food security.

We see farmers adopting new and African specific technologies and practices, harvesting and processing more crops, being able to sell them for more income, contributing to their families' livelihoods and wellbeing. Our investment in off-taker networks has helped to build markets and livelihoods. We now have 2.6 million farmers selling surplus produce through structured off-taker trading arrangements, generating

over USD1 billion in smallholder revenue. We see improvements that we have all been able to support in the entire agriculture ecosystem, which AGRA has made measurable contributions towards.

We also worked through some 400 implementing partners across 14 countries to build last mile delivery systems. We appreciate their dedication and their focus. Over the last three years, these partners have collectively been able to reach over 16 million farmers. A dedicated team of 32,000 men and women engaged as village-based advisors (VBAs) have worked with farmers to provide knowledge about best practices, for example, to reduce post harvest losses.

Changing agriculture in Africa takes time, and there is much work still to be done. But we are excited by what we have been able to catalyze working with governments, local SMEs and multiple other partners. Like anywhere else in the world, Africa faces more hunger and more malnutrition and even obesity challenges coming out of COVID-19. We must double down on innovation and support to countries to ensure that hard won gains to date are not completely eroded. At the same time, we must ensure that we come through recognizing that our planet - our farming landscapes - need to be better managed and nurtured.

AGRA will draw on vital lessons from our current 2017-2021 strategy, including a renewed focus on gender and inclusion to meet the needs of women and youth, and environmental sustainability. These are two key aspects of what must be done to build more resilient food systems, learning from the 2021's UN Food Systems Summit.

Looking forward, we will continue to connect the dynamic range of actors in the farmer ecosystem, facilitating and convening on critical issues at national, regional and continental levels. As we emerge from the shadow of the pandemic, one thing is clear: AGRA's relevance, purpose and drive have never been stronger. We look forward to working with all our partners on the journey ahead.

I hope you enjoy this report.

Dr Agnes Kalibata

President, AGRA



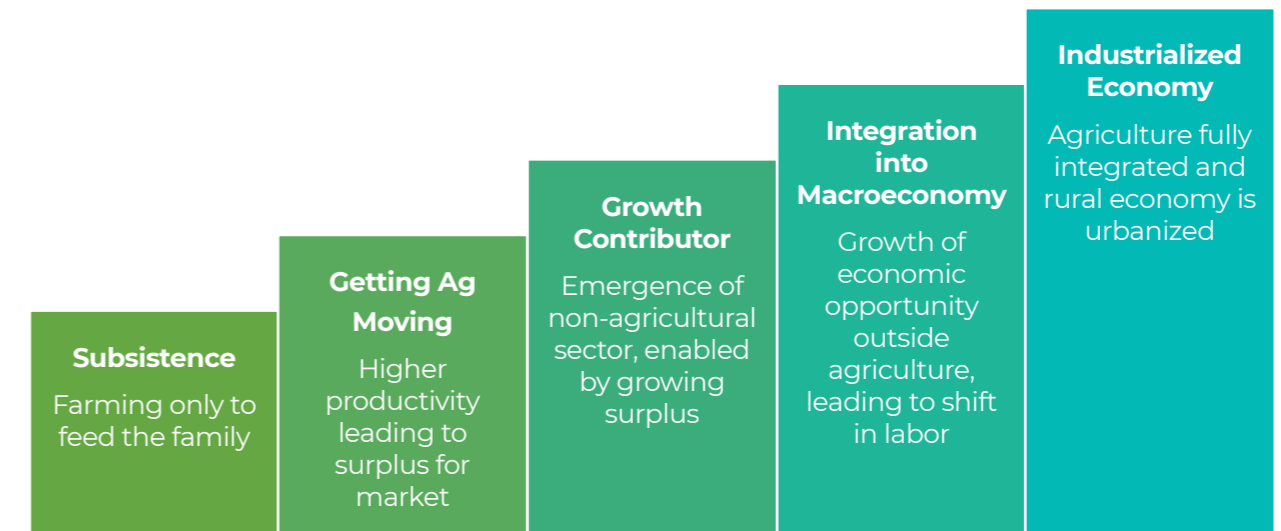
Our Impact

Since AGRA was founded in 2006, our investments across Africa have been directed at increasing food and nutrition security, and incomes for smallholder farming households. So far, we have been able to track our progress against targets by evaluating the impact of our interventions in the lives of farmers. To us, every new family that moves out of poverty by having enough food for consumption and surpluses to sell in markets is an indication of the success of our work. However, we understand that for us to have a desirable impact on the lives of farmers, we need to impact the systems and partnerships that define their operations, as well as their socio-political environment. In this section, we evaluate the impact of our investments throughout the life of our strategy, 2017-2020, in our 11 focus countries.

Our Vision for Agricultural Transformation

Agriculture provides the primary livelihood for two-thirds of sub-Saharan Africa – yet most farmers live in poverty and most countries struggle with food insecurity. No other sector holds as much potential to improve lives. Our vision is an **agriculture transformation that fundamentally changes how food is produced**, creating better opportunities in rural economies and providing affordable, nutritious food to the entire population.

This is not just about training smallholders to be better farmers or giving them access to better seeds and fertilizer. Nor is this only about moving harvests from farm to market. Yes, agricultural transformation encompasses such efforts, but goes beyond towards **systemic change, where the improvements achieved today can be sustained tomorrow**. We want to change the system – so the subsistence farmer struggling to feed her family joins a vibrant rural economy, and this rural economy improves opportunities both on and off the farm, all of which drives an agricultural sector that feeds the country and accelerates economic diversification and growth.

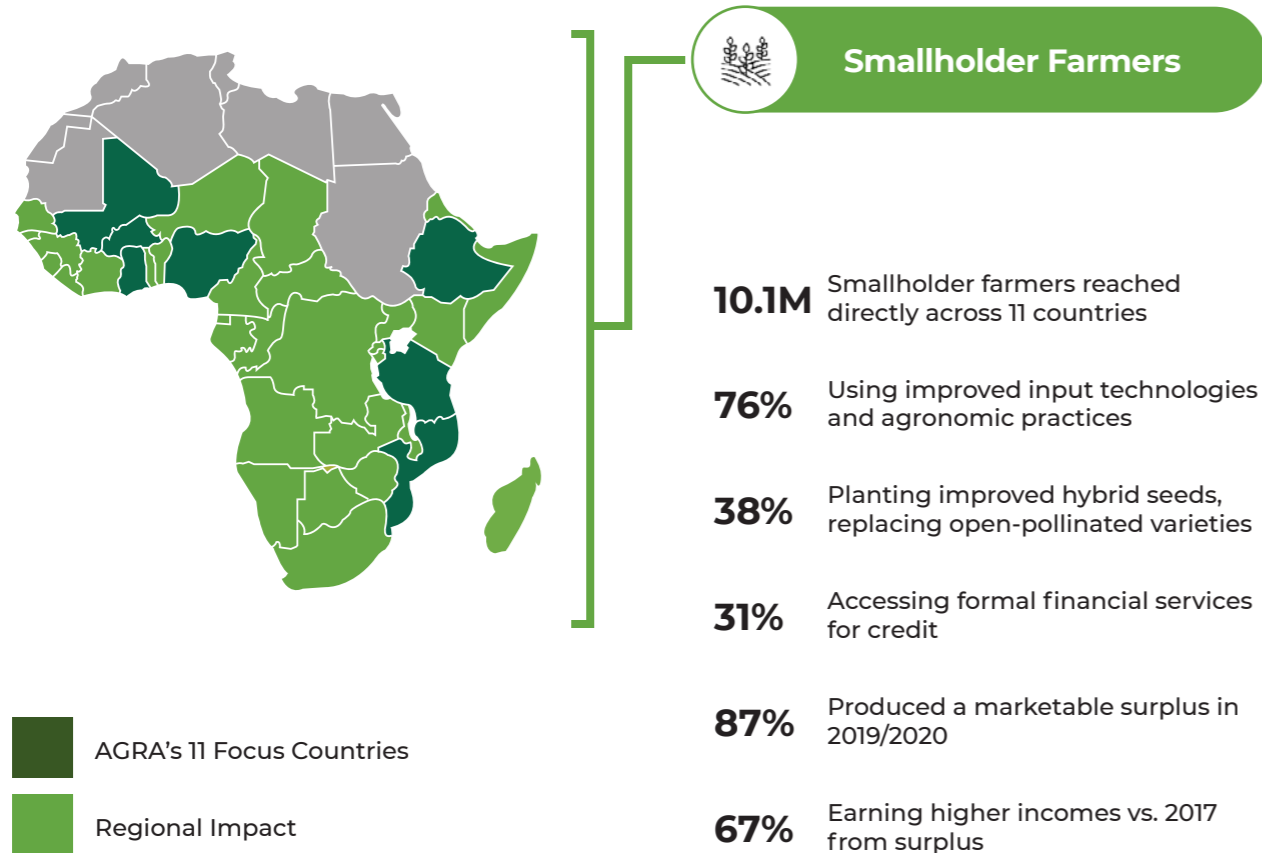


Our 2030 vision is to move more countries up the ladder, including more countries moving from subsistence

Model: C.P. Timmer

AGRA Impact 2017-2020

AGRA supported 11 focus countries and the broader region on the agricultural transformation journey, helping drive systemic changes for businesses, government, and other partners that will lead to improved livelihoods and food security for smallholder farmers.



Private Sector Systems

32K	VBAs to bring extension services in reach of all farmers	54%	Reduction in average distance a farmer walks to buy seeds
80x	Increase in certified seeds availability across 11 countries	\$660M	New capital catalyzed by AGRA supported SMEs; a 14.6x multiple on AGRA investment

Capable Government + building national capacity

16.8M	Farmers reached indirectly via flagships, policy, and more	50-75%	Reduction in development time required to design an investment program or advance policy reforms
39	Policy reforms approved for implementation in inputs, mechanization, and more	\$1.4B	New capital catalyzed through designs of national flagship programs

Strategic Partnerships

2.3M	Smallholder farmers reached indirectly through partnerships	30x	Increase in investors and participation in AGRF vs. 2018
58	New partnerships formalized out of 101 in progress	\$141M	Incremental value of investment and sales

Gender Inclusivity

24%	Female VBAs in Tanzania and Burkina Faso	3.5M	Women farmers reached
54%	Female VBAs in Kenya	Over 1,400	Businesses supported through VALUE4HER agribusiness platform

AGRA's Strategy for Transformation

Problems persist when our solutions tackle only one part of the whole. **Change that sticks is possible when our solutions consider the whole** – each action that needs to change, each decision-maker's incentive to change, and each barrier that may make this harder than it needs to be. Rarely is there a single challenge to overcome. After all, if it were so simple, we would have seen transformation by now.

Consider the smallholder farmer who benefits from better seeds that yield a healthier, more productive harvest. We want her to buy the seeds – not seek a handout. We want her to pay for it because she can afford it, recognizes the impact on productivity, and sees a clear return on her investment. We want businesses around her to see the opportunity to grow and profit from breeding, producing, and distributing these seeds. And we want those businesses to raise capital, invest, and compete because the rules of the game are clear and predictable.

AGRA's strategy is to be the catalyst that makes this possible. **We do this by working at multiple levels.** We collaborate with governments to ensure policies and regulations – the rules of the game – make sense. We engage the private sector and find ways to reduce the risks that might deter them from serving farmers. We work with the private, public, and social sectors and across geographies to match the right partners with the right opportunities.

And we do all of this so the **broader ecosystem around the smallholder farmer empowers, rather than marginalizes, her.** In other words, she has choice and opportunity. She understands her options and can make informed decisions about what to grow, how to buy and use seeds and fertilizer, and where to bring her goods to market.

“AGRA, in my four and a half years in this job, has been the closest partner that Ghana has had in agriculture” -
Ghana's Agriculture Minister Hon. Owusu Afriyie Akoto

Why AGRA?

Agriculture transformation to impact the lives of smallholder farmers in Africa is a complex matter, in a context of decades of deeply rooted challenges and discouraging setbacks. This is a challenge that requires functioning institutions to build the knowledge and evidence base of what works for farmers, based on the most available science. An ecosystem around the farmer, the private sector and government has to be built.



African leaders, recognizing the challenge, built AGRA to support countries in their own context, under their leadership, to help identify and mobilize the right solutions.

AGRA started with a technology-focused approach that saw many successes. But it learned that it needed to take a more catalytic role, informed by the institutional challenges most African countries had in common.

AGRA now works as an African institution with indigenous expertise, mobilizing the most up-to-date science, partnerships and practice. It has the mission and capabilities to support the transformation African countries need, and their farmers deserve.



Impact on Farmers

AGRA works on changing systems, but we measure our impact at farmer level. Since 2017, we have **directly reached 10.1 million farmers**, serving them with an integrated suite of services to improve how they farm. The impact we seek is better livelihoods and improved food security, as well as greater resilience to shocks and adversity.

What Does it Mean to Change Farmer Livelihoods?

Across our 11 countries, we can see evidence of **improved productivity, better crop quality, higher incomes, and more months of food from their surplus**. These gains have not been achieved overnight, but rather through carefully targeting and tackling the barriers to meaningful, sustainable change.

Building Awareness and Adoption

In 2020 we carried out a rapid assessment of farmers that we work with. We found that since 2017, over **60% of farmers reached by AGRA have adopted new farming practices**. While many are now using improved hybrid seeds or fertilizer, we are also observing farmers change how they plant, apply fertilizer, protect their crops, and manage their crops after harvest.

For example, our studies show farmers are making more efficient use of their seed. In Kiambu, Kenya, virtually no farmers used the recommended row and hole spacing or the right number of seeds per hole, leading to significant waste. Following training from our VBAs, all farmers shifted to best practice. These changes reflect more capable farmers who are applying best practice techniques.

VBAs reach 6.5 million farmers by delivering critical extension services

Like many farmers in Kiambu County, which borders Kenya's capital Nairobi, Teresia Njoki was struggling to grow crops that could afford her a comfortable life. Yet for years, she was forced to contend with poor harvests, often losing most of her output after harvest due to lack of handling skills.

Things, however, changed for her in 2019, when she was introduced to better farming practices, inputs and technologies by a Village Based VBAs in Ikihu, the administrative ward she comes from. The VBAs are lead farmers who are recruited and trained by the AGRA to offer extension advice to peers. AGRA identifies and trains the VBAs in partnership with government extension agents.

"Before my VBA came, we had little harvests such that we could not even feed our children adequately. However, we now witness bigger harvests and our children are content. We are also getting surpluses to sell for money to do other things," said Njoki, who is now receiving up to 2634Kg/ha from as low as 417Kg/ha previously.

Improving Crop Quality and Production

Better practices are, of course, translating into more productive farms. We can see **evidence of higher yields across different countries and crops**. For example, Tanzanian farmers supported by AGRA saw dramatic gains in beans and rice yields, while Ghanaian farmers also saw increases in soya and cassava. After just one year, smallholder farmers in Ethiopia reported gains of 5 to 14% for teff, wheat, and haricot beans. Similarly, for the staple maize crop grown across the continent, AGRA's support also led to increased yields in multiple countries.

Yields are not the only story. Indeed, among our farmers, **67% also reported an improvement in crop quality compared to 2017, while 33% reduced loss and wastage after harvest** – keeping more to feed themselves and bring to market.

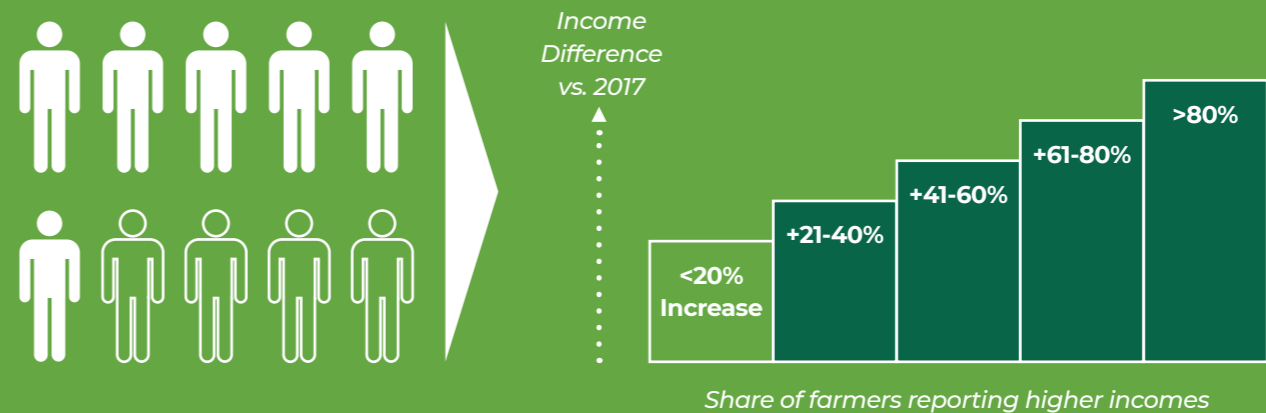
Productivity Increases In Selected AGRA Areas Of Work

Yields increase if basic inputs are available to farmers.



Note: data from selected areas of work.

Income Impact



60% of farmers with surplus had higher incomes vs. 2017

Over 70% had significant income growth, by 20 to over 80% vs. 2017

Growing Incomes

Among farmers with a surplus harvest to bring to market, 60% reported an increase in income compared to 2017 – and the income increase was substantial, ranging from 20 to over 80% for the majority. The reasons these farmers grew their incomes also underscores the importance and impact of AGRA's work across multiple dimensions of smallholder farmer needs. For most farmers, this was about increased productivity – but others also found that better access to markets, improved crop quality, higher prices, and more affordable inputs were contributing factors.

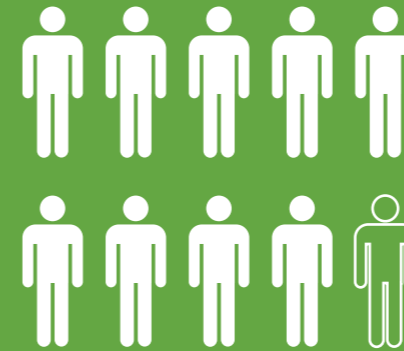
Increasing Food Security and Resilience

In addition to increasing productivity and incomes of smallholder farmers which in turns builds a buffer of assets and alternative sources of food for farmers and their communities in times of shock, AGRA has been working on integrating regenerative practices into agriculture systems and landscapes to build long term systemic resilience against climate, environmental and some extent market shocks. AGRA's key Kenyan pilot project on regenerative agriculture, in partnership with the IKEA Foundation has, at its core, the integration and management of natural resources in agriculture landscapes as well as building a business case for farmer and last mile delivery systems. The nature-based solutions are complimented with access to finance and crop insurance products. In the face of shocks such as COVID-19 AGRA worked with governments to strengthen input and output supply chains and early warning systems that ensure farmer resilience and continued production and supply of food to urban and rural markets.

In West Africa, AGRA partnered with the meteorological department to disseminate climate information services to farmers as part of the resilience building program for smallholder farmers, with approximately 322, 892 farmers reached in Nigeria. In addition to this, 2020 saw an increase in the adoption of climate resilient crop varieties as part of its adaptation strategy. In 2020, 54,946 tons of resilient seed varieties were distributed to farmers through the agro-dealer network. The adoption of these practices led to an average 87% of the farmers having surplus produce at harvest.



Food Security Impact



87% of farmers with surplus in 2020

Extra months surplus vs. 2017



Share of farmers reporting higher surplus

66% with significant increase in surplus of 4+ months vs. 2017





Impact on Farming Systems

Improving the lives of smallholder farmers means improving the ecosystem around them. Farmers do better when they can access more knowledge, improved inputs, and better markets. **Businesses do better when they see growing markets that offer attractive returns.**

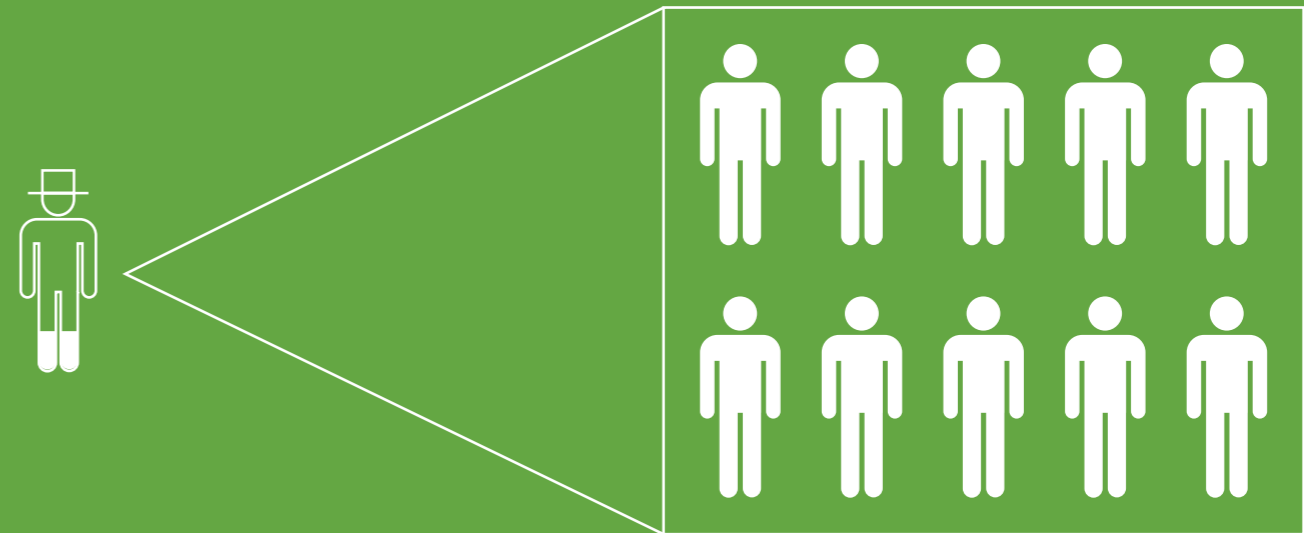
We make strategic investments into partners and systems in order to create an enabling environment and conditions such that farmers' capacity is increased, markets can be developed and businesses can grow. Our partners work with local government and farmers' organizations to build farmer capacity. Some of this is done by VBAs who are selected by the farming communities themselves. Other partners work with offtakers to link demand and supply and therefore grow demand. Other partners introduce financial instruments and insurance to de-risk activities. Through this process, businesses are built.

Like any ecosystem, the parts of the agricultural sector must work in concert. A breakdown in one area has ripple effects elsewhere – but effective change creates a virtuous cycle that strengthens all parts of the ecosystem.

Reaching Farmers, Building Capacity

Agricultural extension workers are a high-impact tool who can deliver training, seed and fertilizer samples, conduct field demonstrations, and more to help improve how smallholders farm. Unfortunately, many governments have underinvested in extension services, and most countries have less than one extension worker per 1000 farmers. To supplement government extension, AGRA scaled up VBAs extension programs, providing **5 to 10 VBAs per 1000 farmers in the regions we reached.** These VBAs provided sample inputs, agronomic advice, and post-harvest services, building farmer capacity and developing market demand. And they have proved the model effective: **farmers who adopted better technologies were 2 to 3x more likely to have been influenced by a VBA than by a neighbor or the media.**

Extension Service Coverage



Government extension services range from 0.1 to 1 officer per 1,000 farmers nationally
Burkina Faso, Ghana, Kenya, Malawi, Mali, Mozambique, Tanzania

AGRA supplements government extension with 4.6 to 10.3 VBAs per 1,000 farmers in AGRA consortia regions

Productivity Through Access and Choice of Inputs for Smallholder Farmers

As VBAs helped train smallholder farmers on better technologies and practices, AGRA worked with partners such as the National Research Institutes, private seed companies, and CGIAR to deliver better seeds, better fertilizers, and new ways of applying fertilizers to increase farm labor productivity and to ensure strong supply capacity to farmers. Through these partners, we have supported the development and commercialization of over 400 seed varieties, from chickpeas, groundnut and sweet potato to millet, rice, and maize. To improve fertilizer use efficiency in farmers' fields, we have supported soil mapping activities by working with local small blending companies, and in some cases larger ones like YARA and OCP, to develop 29 blends appropriate for local growing conditions and farmers' production objectives. This gives farmers choices.

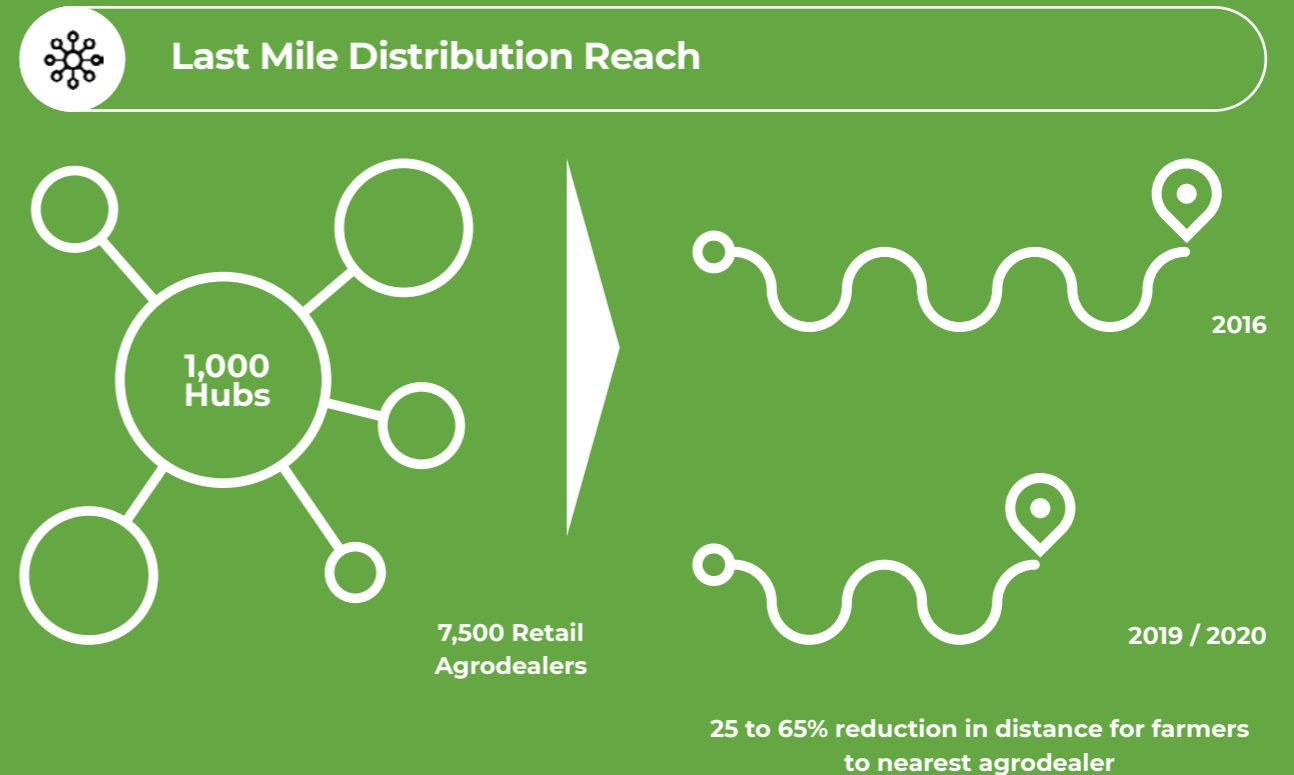
AGRA's work is not just to improve upstream supply, but to grow and strengthen the overall industry. For example, the early-generation seed (EGS) companies we support in nine countries now provide 20 to 80% of domestic needs, ensuring more predictable and affordable seed supply to farmers. We have invested in business services, policy work, and directly in certified seed companies. In AGRA's 11 focus countries, this has led to a nearly **4x increase in suppliers and growth in seed production from just 2,300 metric tons in 2006 to nearly 190,000** – an 80-fold increase. The bottom line for farmers is more choice and more competitive pricing.

Case story Rwandan Seed System

Historically, Rwanda's seed system was underdeveloped, leaving farmers highly dependent on imports or open-pollinated varieties. AGRA worked with the Ministry of Agriculture in Rwanda to design the seeds system. There was government commitment to developing the system. AGRA catalyzed change through systematic investments training: support of local scientists and researchers, development of 47 varieties of seed for local conditions, and support of domestic breeding and certified seed production. AGRA supported business development but also quality control. Rwandan farmers now source 80% of seed locally, leading to job creation, particularly for women, who are often hired for seed sorting positions. During March-July 2020, the country achieved self-sufficiency in hybrid maize seed adding to its strong bean and potato seed base.

Distributing to the Last Mile

Seed and fertilizer SMEs in Africa will only thrive if they have ways to reach their customer. Historically, the challenge for these SMEs who form the retail channels that can reach farmers, is that “last mile” distribution may not be profitable. This leaves farmers – most of whom lack easy transport options – far from the goods they need. By developing the market through agrodealers and VBAs and expanding input supply, AGRA has laid the groundwork for broader distribution.



This improved their geographic reach. Farmers in Burkina Faso, Mali, Mozambique, and Tanzania found **distances to the nearest agrodealer reduced by 25 to 65%**, and in regions served by AGRA, agrodealers reached 6 million farmers. Crucially, this expansion made good business sense. This expansion did not dilute the market; on the contrary, the average **agrodealer reported growth in customers and revenues vs. 2017**.

Connecting Farmers to Markets

The risk of producing beyond what markets can absorb at harvest is a deterrent to farmer investments. Why take the risk that the surplus goes unsold or fetches unattractive prices? AGRA has invested in expanding market systems to some hard-to-reach geographies across eight partnerships. We work in strategic partnerships with off-takers to develop the supply chain and in some cases make investments in building storage capacity, training farmers, and providing value chain financing. We work with partners such as East African Grain Council (EAGC) in East Africa, and others, to broker these relationships.

Since 2017, AGRA has supported nearly **3,900 off-takers serving smallholder farmers. These off-takers report increases of 77% in farmer credit, 48% in purchases from farmers, 62% in post-harvest storage, and 123% in processed volumes.** They are the building blocks for more vibrant, inclusive markets that move farmers from subsistence into the rural economy.

Case story

Agricultural Transformation in Tanzania's Southern Highlands

The Southern Highlands of Tanzania is an important breadbasket for the country, but farmers in the region continually suffer poor yields and weak market linkages, leaving them poor. For a turnaround, in 2017, AGRA, through the Ihemi-Ludewa consortium, invested USD2 million to facilitate the integration of core agricultural systems including seed, fertilizer, extension, agro-dealership, inclusive finance, and output markets system along the Southern Agricultural Growth Corridor of Tanzania (SAGCOT).

This investment brought together systems and value chain actors to the same platform to pursue complementary goals, and improve services delivery to smallholder farmers in the Southern Highlands.

By 2020, the investment had supported 163,257 farmers in accessing markets and improved farming technologies. About 70% of the smallholder farmers in the program secured forward delivery contracts with off-takers. This contracting

mechanism enabled farmers to have access to assured markets every season. The remaining 30% now sell through spot markets predominated by small-scale traders.

The total value created by AGRA's initial investment has now reached USD44.5 million, with the value being derived from the SMEs that increased their working capital to invest in new market infrastructure, modern milling plants, warehouses, and input finance schemes.

Our partnership with Silverlands PLC, for example, provides a guaranteed market for maize and soya for the manufacturing of poultry feed. The poultry processing plant has a capacity of 40 MT/hr and a silo storage capacity of 32,000MT. In 2019, Silverlands purchased 20,000 MT of maize from 9,200 contracted smallholder farmers, and 3,000 MT of soybeans from 4,000 smallholder farmers. In the same way, Tenende, a milling company with the capacity to buy 1,500MT of maize per year, was supported to purchase 1,300MT of maize from about 6,500 smallholder farmers. This was 800MT more than the company used to buy before the intervention.

Another processor, Super Seki, with the capacity to stock 3,000MT of grain per year, secured a forward delivery agreement to deliver 400MT/month of fortified flour to Kifaru Millers in Nairobi, Kenya, an agreement facilitated by the Ihemi-Ludewa consortium through a B2B meeting in 2018. Similarly, Ruaha Milling Company, which has the capacity to process about 10,000MT/year of maize flour, won a forward delivery contract with the World Food Program (WFP) to deliver 20,000MT/year. Dickens Investment also received a forward delivery contract of 2,000MT/year to a regional market in Nairobi. With the new business, the company's sales volumes doubled from the 2017 levels.

For more support, the Government of Tanzania built 18 new grain silos, each with a capacity of between 3,500MT and 4,100MT of grain, in response to the increased grain surpluses in AGRA-supported areas.

Delivering an Integrated Service

AGRA's key lesson from its first 10 years is that it is difficult to sustainably impact production without an ecosystem of integrated services. Changing the ecosystem works best when the different parts – VBAs, seeds and fertilizer, last mile distribution, and market linkages – are addressed together. For farmers and agribusinesses, we can solve both sides of the equation by building market demand, strengthening supply, and helping both grow. This strategy reduces risk, thereby unlocking and mobilizing new capital.

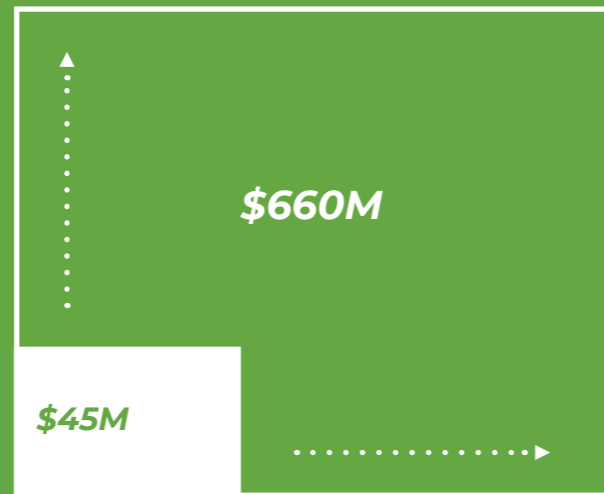
We call these integrated programs Consortia, and AGRA launched 20 of them, reaching 7.9 million farmers and attracting **USD660 million in incremental private sector capital – a 14.6x multiple on our own investment**. However, this is just the start – this Consortia model is replicable and scalable and demonstrates the potential to unlock private sector capital, especially in new geographies that individual private sector companies could not brave on their own.



Consortia Scope + Catalytic Impact

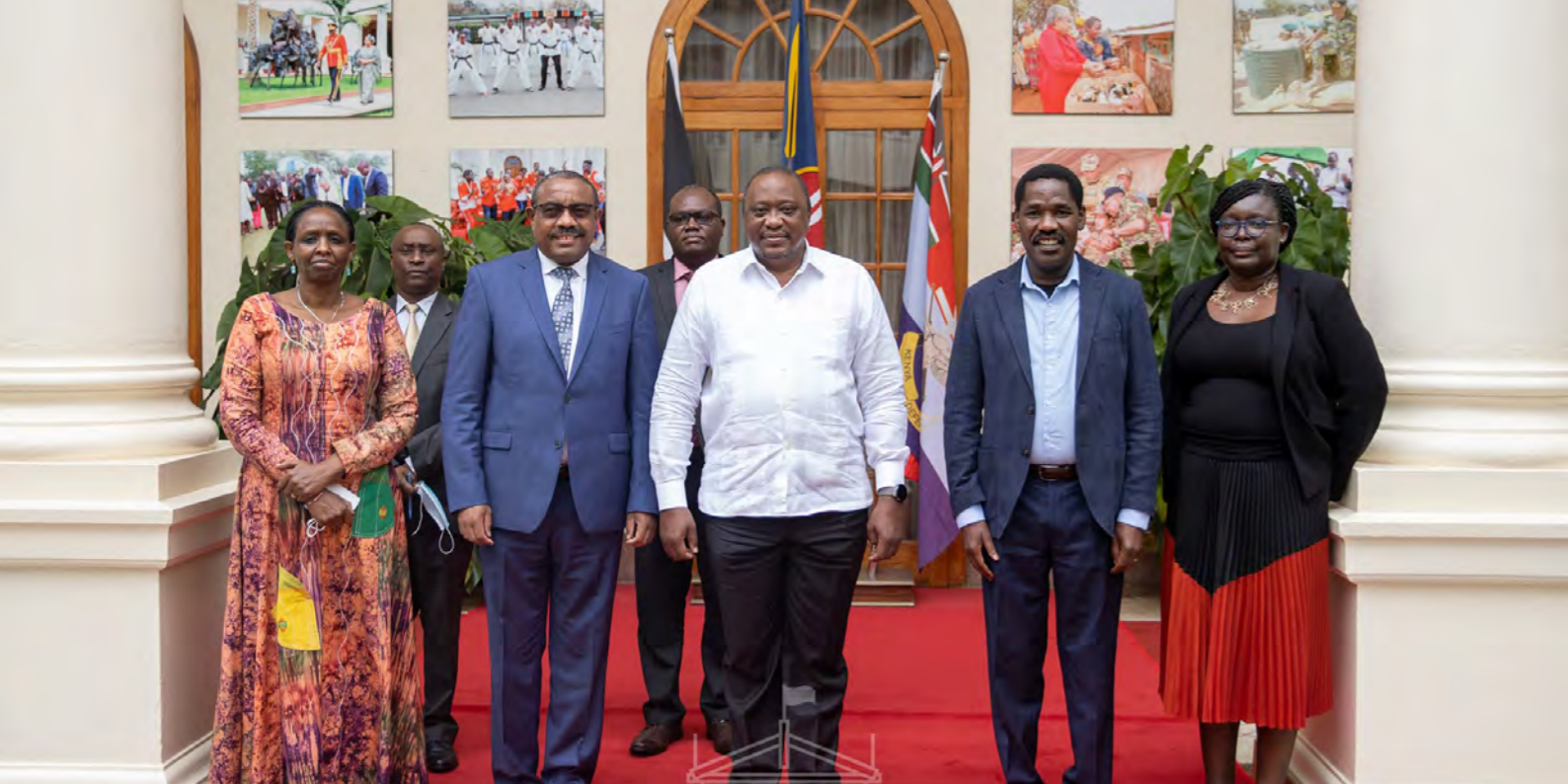


20 Consortia in 7 countries



Catalyzing of \$660M from AGRA investment of \$45M





Impact on Building National Capacity + Enabling Environment

Farmers can thrive when the systems around them – powered primarily by the private sector – are working. The private sector thrives when they can invest in a stable, predictable environment. It is the **government's role to establish the policies, regulations, and investment programs that make the agricultural sector attractive.** Countries that have achieved agricultural transformation have effective public sectors that kickstart and sustain change, make long-term investments in systemic enablers, and create strong incentives to crowd in other resources. Without the right enabling environment, businesses and philanthropic actors and NGOs – however well-intentioned – will have limited impact.

In short, an effective government is a fundamental pre-condition to agricultural transformation. Since 2017, **AGRA has collaborated closely with governments to help lay the groundwork for systemic**

change. While this is a long-term investment, we already see compelling early results – evident in national investment plans, changes to long-held institutional practices, smarter and faster policy reform, and the response of private sector actors.

We support governments to strengthen their planning, stakeholder engagement, monitoring and evaluation tools, and more.

Establishing a Vision, Commitment, and Agenda

Institutional change is difficult. The government's contribution to the agricultural sector may be marked by uneven commitment, limited coordination, and a lack of capacity and resources.

AGRA tracks improvement in state capability across a range of indicators. In the 11 countries where we have invested, we have seen real progress. In fact, **across 44 indicators measuring vision and strategic planning, coordination, implementation capacity, and accountability, we see evidence of improvement in 42 of them.** Clearly, change in institutional mindset, strategies, and processes are achievable and relatively fast with the right evidence and support system.



State Capability Impact

AGRA focuses on state capability to support the development of the agriculture sector at national level.

AGRA works with governments at the national level through support in four key areas of administration:

- Vision, Strategy and Priorities
- Accountability
- Delivery Capacity
- Coordination

Over the last four years, we have scaled up our support with significant improvement in coordination and accountability in 10 of our 11 focus countries. Over this period, more than half of our focus countries had significant improvement in their delivery capacity, while about half recorded significant improvement in their vision, strategy and priorities.

Catalyzing Investments through Flagships (investment pipelines)

A core focus of our work is improving and operationalizing National Agriculture Investment Plans (NAIPs). We collaborated on NAIPs with nine of our focus countries; from these, we have supported the implementation of 10 flagship programs, the prioritized, bankable investment projects selected from NAIPs. These flagships serve as umbrella initiatives under which different actors can mobilize resources, expertise, and operations towards a common goal.

Our impact is evident in two ways. We see accelerated development, with time for flagship design declining from an average of two years to 4–6 months with AGRA support. We also see better planning lead to more resources for flagships, with USD400 million committed by governments themselves and an additional USD1 billion mobilized from multilaterals and the private sector. This has concrete impact; the 10 flagship programs supported by AGRA are projected to reach 13 million smallholder farmers.

Case story

Burkina Faso, “One Million” Presidential Rice Initiative

Burkina Faso is highly dependent on rice imports, with annual demand exceeding production by 2.5 times. Various attempts to boost the country’s production have faltered, stuck in different silos. AGRA invested to strengthen planning, coordination, delivery, and monitoring for a flagship rice program.

In contrast to past interventions that attracted little funding, the “One Million” Rice Initiative has attracted USD500 million in investments from development partners, while the domestic private sector is investing in irrigating 20,000 hectares – accounting for 40% of the flagship’s needs. The flagship is projected to grow rice production four-fold to 1 million MTs and improve livelihoods for 40,000 smallholder households.

Fostering Smart Policies and Regulations

Every country in sub-Saharan Africa seeks to attract more private sector investment and innovation in smallholder agriculture. Yet old ag policies and regulations in most countries deter investment. AGRA supports governments in addressing gaps and outdated policies, supporting the process of design, and consultation among key stakeholders.

Since 2017, we have supported 72 nationally-led policy reforms,, of which 39 have been approved and are in the implementation stage. These address a broad swathe of needs in inputs, trade, financing, mechanization, irrigation, and more. AGRA's support has reduced the time required for the policy reform process by 50%. Faster policy change means faster engagement of businesses, which in turn translates to faster delivery to farmers.

Case story

Ethiopia Mechanization

AGRA helped address barriers to mechanization in Ethiopia where duties levied on imported agricultural equipment ranged from 34% to 40%. This limited investment by equipment dealers, agribusinesses, and farmers. In collaboration with our public sector counterparts, AGRA commissioned a cost-benefit analysis on the duty regime and conducted a series of multi-stakeholder workshops. This led to the lifting of import taxes and duties from over 94 types of agricultural equipment. The number of licensed equipment dealers increased by 43% in the first three months, leading to better supply, more competition, and better pricing, and farmer usage of mechanization has increased by an estimated 33%.



Policy Impact

Unlocking Regional Trade

Most countries in sub-Saharan Africa operate with a focus on food self-sufficiency. While food security is critical for obvious reasons, in practice this can lead to sub-optimal decisions – protectionist policies and a lack of investment in infrastructure and other trade enablers. AGRA's work on regional food trade focuses on improving the tools, data, and policies to overcome barriers to a more vibrant, predictable trade environment.

Our investment in the Regional Food Balance Sheet (RFBS) Initiative for East and Southern Africa, for example, leverages technology to develop better crop data, particularly for key staples. Crucially, this improves the government's ability to make evidence-based decisions on food security and trade.

We have also supported three studies on market system gaps and helped in the development or reform of seven food trade policies. These include directly tackling self-defeating trade restrictions that may deter investment by both agricultural SMEs and farmers themselves.



Case story

Tanzania Cereals Exports

Government restrictions on the export of cereals in Tanzania had been counter-productive with no discernible impact on food security. In fact, the trade environment had reduced incentives to use improved seeds and fertilizer, and some farmers had even switched from commercial production to growing purely for subsistence.

By providing technical assistance and facilitating intra-government dialogue, AGRA helped build the case for the lifting of restrictions. This led to a change in farmer behavior, with a 30% increase in use of improved inputs, an 80% increase in volumes purchased by private off-takers, and a 50% rise in prices at farm-gate. Exports of maize and soya quickly rose.



Amplifying our Impact

Governments improve the enabling environment and the private sector responds, thereby connecting smallholder farmers to better opportunities – yet these alone are unlikely to be enough. The size of the problem and the urgency for progress are too great. And there remains a tremendous gulf between needs and resources, between market gaps – very often business opportunities – and those ready to invest to fill them. A “business as usual” approach will not work, as there are simply too many impactful opportunities that will be missed.

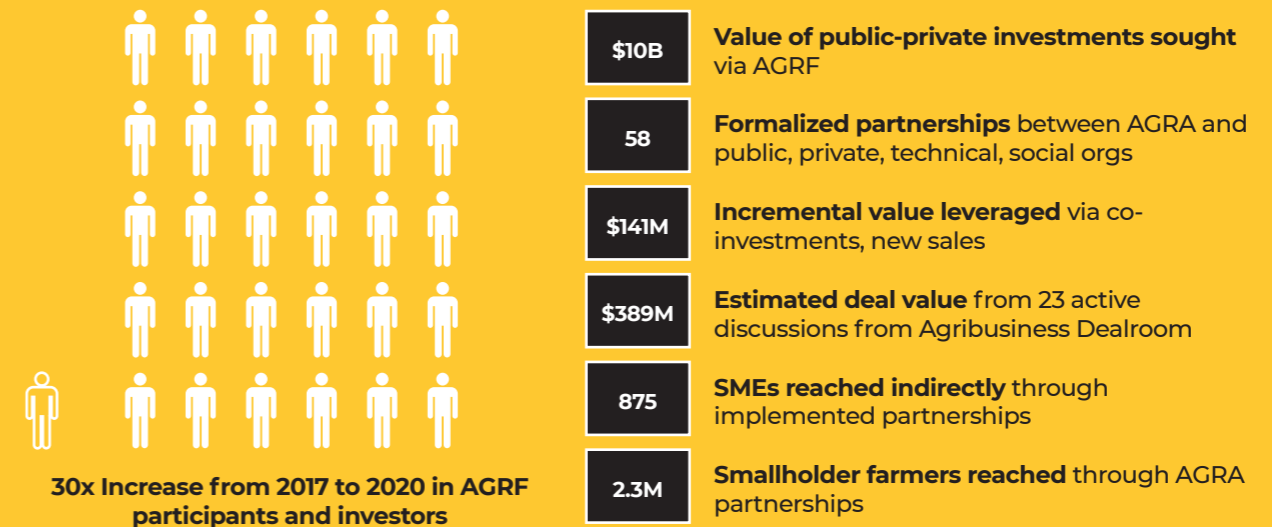
AGRA's unique positioning often makes the difference. **At the intersection - and indeed, integration - of agricultural transformation work by government, private sector, NGOs, donors and multilaterals, AGRA connect the dots.** We bring a combination of insights, relationships, and resources that can bridge need and opportunity, making this collective greater than the sum of the parts.

Building Connections

Through the annual AGRF Summit, AGRA has created a powerful forum for agricultural players to connect. In 2020, the agribusiness Dealroom welcomed 3,600 participants and over 300 investors - representing a 30-fold increase in just three years. This reflects the importance and unmet need for actors in the space to come together.

AGRF has also become an important advocate for moving the agriculture sector forward in Africa. Both public and private sector actors are using AGRF to launch their platforms. For instance, the World Business Council for Sustainable Development announced the launch of its Global Agribusiness Alliance platform, which supports agribusinesses with financial linkages. Similarly, USAID used AGRF to announce the launch of its Market Systems and Partnerships mechanism.

Strategic Partnerships Impact



Matching Resources and Opportunity

Our Agribusiness Dealroom is a dedicated platform to convene and matchmake among governments, agricultural businesses, and investors. Interest, participation, and investment opportunities have grown dramatically over the last three years. From a modest launch in 2018, the **Agribusiness Dealroom now provides a space in which agricultural businesses showcased over USD540 million of investment opportunities and governments looked to raise USD7.8 billion.** These connections have led to concrete deals. For example, the African Development Bank recently announced a USD45 million commitment to Senegal's Agripole – an investment that was pitched in the 2019 Agribusiness Dealroom.

Launching New Partnerships

Developing strategic partnerships for AGRA and others demands a significant investment of effort to match needs and opportunities, build trust, and then formalize the partnership itself. Even so, since 2017 AGRA has been in active **partnership discussions with 101 institutions and formalized agreements with 58.**

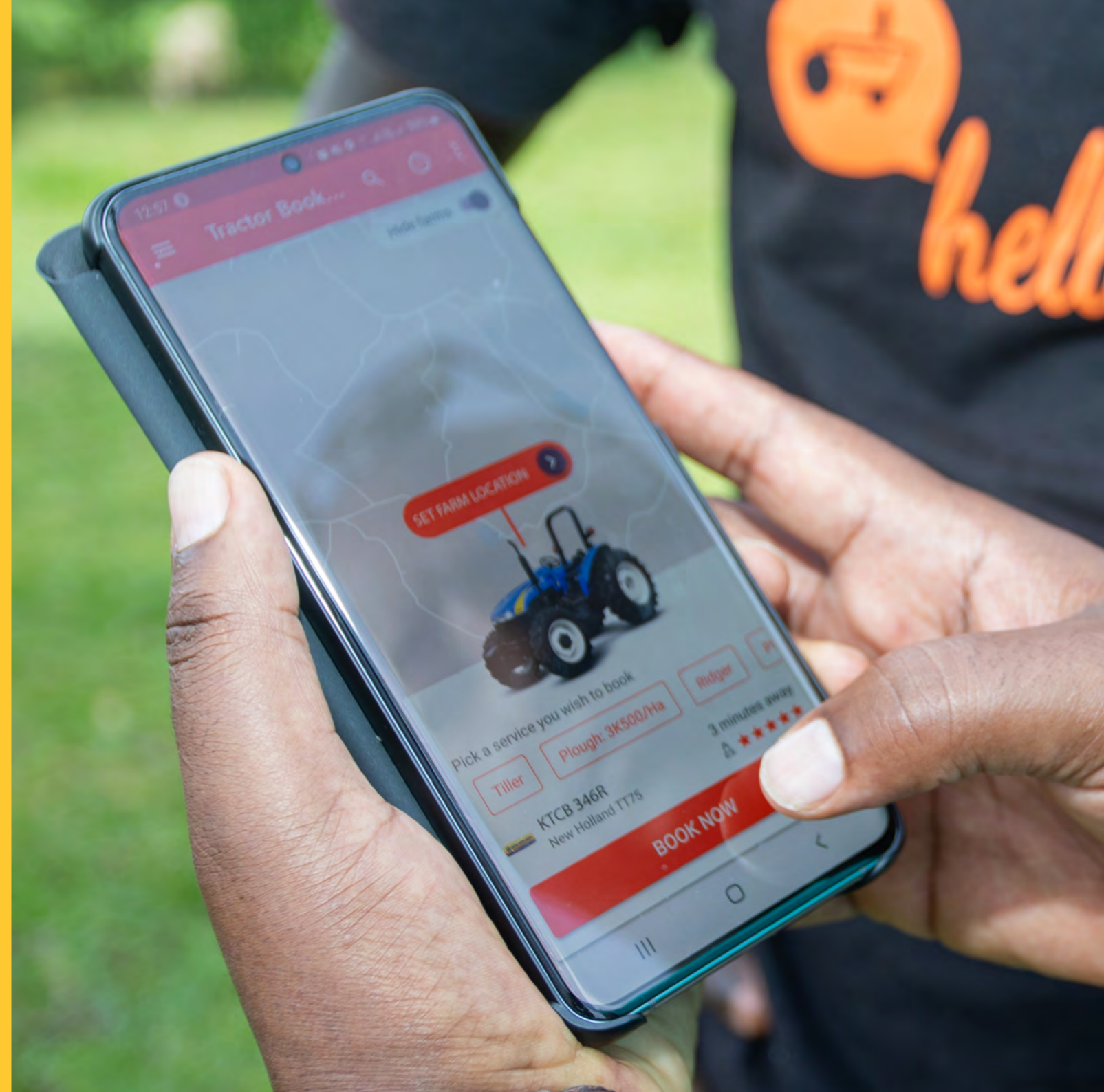
To date, our private sector partnerships have generated **incremental value of \$141 million USD new investments, co-investments, and new sales.** These will have positive ripple effects on 875 SMEs that benefit indirectly from the partnerships, reaching an estimated 2.3 million smallholder farmers.

Developing Digital Platforms

Through partnerships with technology innovators, AGRA has also had success in developing digital platforms that offer services ranging from weather forecasting to farmer advice to seed certification support. For example, the SmartFarm tool, built in partnership with CropIn, will support farmers with guidance on crops, inputs, and weather and is expected to reach 2.7 million farmers in six countries. Similarly, we worked with Cellsoft and the regulatory agency in Kenya to launch Seed Assure to support seed companies and inspectors.

AGBot

AGRA partnered with Microsoft to develop a chatbot to support VBAs and farmers to scale up – at low cost – the delivery of extension services. Microsoft provided the digital architecture and technical support, while AGRA brought content and supported KuzaBot's integration into VBA programs. The farmer's access content from VBAs directly on their phone. We hope this will usher in a new way of extension now being piloted with 13,000 farmers





Better Inclusivity, Better Agriculture

Agricultural transformation must address gender equality. The gap between men and women is massive. Due to unequal access to knowledge, improved inputs, land, and other critical resources, the productivity of women-led farms is 20 to 30% lower than those of men. Deeply-rooted sociocultural and structural barriers lead to worse outcomes for women off the farm also. Women are far less likely to be entrepreneurs and own agribusinesses, whether as agrodealers or off-takers.

AGRA has implemented intentional programming to address these gaps and play a catalytic role in inclusive agricultural transformation.

Equipping Women Farmers

At the farmer level, **AGRA has reached 3.5 million women from 2018 to 2020 with improved technologies and extension services.** We have found that 55% of women farmers reported changing the way they farm as compared to 2017, an important first step towards closing the productivity gap. Part of our outreach effort is also the deliberate inclusion of women as VBAs, with particular success in Kenya, Tanzania, and Burkina Faso, where 24% of VBAs are now women – making it easier for women farmers to connect, receive services, and have role models.



Empowering Women-Led Businesses

In the private sector, we have **supported nearly two thousand women-owned or led businesses** across input systems, agrodealers, and off-takers. Our support includes practical business and management skills, as well as linkages to financial services and markets. Among the companies we have helped are **23 seed companies led by women, as well as over 1,400 agrodealers.** This is an encouraging start, but it is just 15% of the total businesses we have engaged in those areas. We have learnt a lot from this and look to reach more women going forward.

We have thus acquired **Value4Her** as a deliberate step in improving our capabilities to support women entrepreneurs. **The Value4Her platform has reached over one thousand women-led/owned companies across 39 countries,** and we expect that it will enable AGRA to deliver better training, networking, and market and financing connections to women businesses.



2020 Program Highlights

2020 Highlights

Institutional highlights



Reached 4 Million

Smallholder farmers directly and 12.2 million farmers indirectly in 11 countries



10,000+ Delegates

Attended AGRF Summit in-person and virtually



28 Policy reforms

Advocated to unlock bottlenecks in seeds, markets, fertilizer systems



\$ 43.3 million

Disbursed in grants to implementing partners in 2020 across 11 countries



\$ 11 million

To mitigate COVID-19 pandemic

PSC highlights



6 Countries supported

To develop Institutional Capacity Strengthening Plans



Over \$15 million

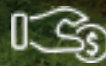
Leveraged through the expanded regional food trade Programme, in private investments in Eastern Africa



9 Flagships

Being implemented with AGRA support

Partnerships



\$547 million investment need

from Dealroom matches between 208 SMES and 55 agri-investors from across Africa



Leadership for agriculture

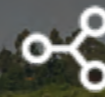
Collaboration to evaluate government flagship opportunities for further investment support



Partnership with Cropln

To digitize the village based advisors service, to connect 2,656,500 farmers with 10,621 VBAs in 6 countries

Gender and Inclusiveness



1.4 million women farmers

reached in 2020



47% of SME Dealroom participants

are women-led.



600 companies registered

by women, through the VALUE4HERConnect platform, accessing market information

Systems



23 consortia

In 2020, support focused on maturing of investments



1.3 million farmers reached via consortia

AGRA demonstrated & used the powerful effects of consortia in creating a more vibrant private sector and delivering an integrated approach



Piloted environmental sustainability project in western Kenya

Supporting renewal of degraded lands, to implement / scale sustainable land and agro-biodiversity management practices

AGRA's work in seeds



Developed SSA & assessment tool

(Seed system analysis) piloted in Nigeria and Ethiopia



Supported digitization

of seed certification, use of Seed Tracker through electronic tags, and e-certification in Uganda



80% of seed produced locally

in Rwanda up from only 14% in 2017



Promoted soil health

Through increasing adoption of organic & biofertilizers

AGRA's COVID-19 Response

In Africa, in 2020, the COVID-19 pandemic devastated families and communities, and also proved extremely damaging to the continent's economies and livelihoods. Economic growth in 2020 was -2.1%, the continent's first recession in 50 years.

The COVID-19 pandemic restrictions in countries affected farmers in various ways, with 70% of more than 6,000 farmers surveyed through AGRA's rapid appraisals indicating inputs market prices were most affected.

In 2020, African governments made all efforts to ensure food security in the midst of the crisis. In Kenya, for example, the Ministry of Agriculture set up the COVID-19 War Room. Together with partners such as Mastercard Foundation and USAID, and over 80 stakeholders, AGRA was invited to support the Food Security War Room that provided the Kenyan National COVID-19 Co-ordinating Committee with weekly food status reports.

The War Room has now transitioned and provides food security updates on a biweekly basis to the Kenyan Government. With support from the Rockefeller Foundation, and drawing lessons from the Kenya Food Security War Room, AGRA is working with the Africa Union Commission Department of Rural Economy and Agriculture in developing a food security platform. This includes a digital dashboard and a high level committee which continuously monitors the food security situation on the continent during times of shocks, and advises national and regional governments on the best course of action to take to address food insecurity.

AGRA invested more than USD11 million to mitigate the adverse effects of the COVID-19 pandemic. Our investments supported food security coordination, regional food balance sheets, digital finance, supply chain investments, improved seeds, strengthening SMEs, data and analytics, political economy analysis, and rapid COVID-19 responses.

We also developed our thought leadership to assess the real-time impact of COVID-19 on market systems and businesses, along with recovery planning. AGRA published, for example, COVID-19 studies covering 10 of our 11 focus countries. We also publish a Food Security Monitor which is being used to influence food security policy interventions across East, West and Southern Africa.





Systems Development

Digitization of Seed Packaging

We digitized seed regulatory frameworks to reduce the presence of counterfeit seed in the market. Until the digitization, in Kenya, Nigeria and Tanzania, counterfeit seed was pervasive in markets, compromising the quality of harvests and reducing farmers' confidence in improved varieties. Ethiopia, Ghana, Uganda and Malawi are now working on digitization.

Improved Efficiency in Seed Inspection

We improved efficiency in seed inspection by supporting countries to revise their policies to allow private seed inspectors to work alongside the few employed by governments. We increased the density of seed inspectors per area; and the inspectors now also cover more areas. As a result of the increase in number of inspectors per area, and with seed inspections now covering wider areas and happening efficiently, we are seeing improvements in the quality of inputs in the market. The model is working well in Nigeria, Kenya, Uganda, Ethiopia and Rwanda improving seed quality

Increased Quantity of Early Generation Seed (EGS)

AGRA supported EGS production models have helped some countries become 100% self-sufficient in EGS production: Nigeria in rice and soy bean, Ethiopia in maize, tef and wheat, Uganda in maize, rice, soy beans and beans, and Malawi in maize and cow peas.

In 2020, 58,947MT of certified seeds were produced in eight countries. This was more than 1.5 times the quantity produced in 2019.

Our catalytic investment in seed continued to attract regional and multinational seed companies like Corteva, Syngenta, Bayer, Pannar, UPL and Seed Co to supported countries, alongside additional national seed companies.

AGRA's vision is to support the development of a functional seed systems which works to deliver seed of varieties that are resilient and climate smart to farmers in a sustainable way, to help increase crop productivity.

Improving Soil Health

In 2020, we invested USD6.2 million in the development of soil and fertilizer efficiency maps, as well as the production of new fertilizer blends.

Inclusive Finance

In 2020, two new financial facilities financed by a mix of public and private funds started to invest after two years of preparation: the Ghana Incentive Based Risk sharing for Agricultural Lending (GIRSAL) and ABC fund. Early results show that these vehicles can unlock significant additional capital from financial institutions to support the agricultural sector: the leverage of guarantee funds has been 4.75 times in Kenya, with two banks signed on and two times in Ghana through 14 banks.

AGRA also invested over USD4 million in catalytic (value chain) funding and technical assistance in Tanzania, Burkina Faso and Mozambique to design and deploy innovative financing models for SMEs using matching grants and risk sharing models. The innovative risk sharing partnerships encouraged almost 500 financial institutions to disburse over USD350 million to date to MSMEs, rural financial institutions and farmers.

Around 19,000 smallholder farmers in West Africa have received input loans without physical collateral to buy improved seeds and other related agro-inputs, with 43 SMEs sharing the loan risks among six financial institutions in Burkina Faso, Mali and Ghana. The total amount of credit mobilized in 2020 was USD1.8 million.

Resilience Building

In 2020, we scaled up our work to support farmers' resilience. Through our intervention in Western Kenya we built the capacity and increased investments in Sustainable Land Management (SLM) through the restoration of degraded lands by supporting communities to innovate, and encouraging private sector and government participation to strengthen markets, farm-level diversity and enhance productivity. AGRA is exploring new and evidence-based techniques related to regenerative agriculture and environmental sustainability across its entire program.

Key Successes in Sustainable Land Management

- A total of 83,532 (42,381 male; 41,151 female) smallholder farmers applied at least one SLM technology on their farms by the end of 2020. These technologies included: agroforestry, soil and water conservation, conservation agriculture and integrated soil fertility management. Following the implementation of the conservation agriculture technologies, there has been reduced drudgery for women, for example, through a reduction in time spent weeding farms and collecting firewood.
- AGRA and the United Nations Development Programme (UNDP) worked together to develop a training manual for resilient and sustainable food value chain development in Africa. Targeting development practitioners, the manual structures the process of greening the continent's food value chains. The purpose of the training manual is to advance a holistic approach to agricultural productivity and agribusiness development in smallholder farming systems.

Case story

Kaduna Farmers Gain Easy Access to Farm Inputs Through AGRA investments

AGRA set up the Kaduna Maize-Rice-Soybean Consortium to address the lack of access to farm inputs and extension services by smallholder farmers in Nigeria's Kaduna State. The consortium supports farmers in the adoption of contemporary agricultural technologies, as well as access to markets.

By 2020, the consortium had supported over 285,000 farmers, trained 666 agrodealers, selected 1005 VBAs, and trained 50 extension agents.

In addition, the consortium supported the production of new fertilizers fit for Kaduna. Specifically, FEPSAN created 10 different fertilizer blends as part of its role in the consortium, distributed in two states (Kaduna and Niger).

AFEX and other agriculture companies have also invested in the consortium's activities – in the form of inputs for farmers.

Additionally, partners, like SG2000, Value Seeds Ltd, Premier Seeds, and National Agro-Input Dealers Association (NAIDA), are increasingly investing resources, such as staff and networks at the farmer-level, including at demo farms and during field days.



Partnerships for Strengthened Food Systems



AGRF 2020

The AGRF is the world's premier forum for advancing Africa's agricultural agenda. Every year, the AGRF Secretariat gathers thousands of delegates including political leaders, agripreneurs, scientists, the media and thought leaders in a four-day forum to discuss innovative ways for strengthening Africa's agricultural and food systems.

More than 10,400 delegates attended the AGRF 2020 Summit. The AGRF is a partnership of 26 partners, including the Government of Rwanda. The event's theme, Feed the Cities, Grow the Continent: Leveraging Urban Food Markets to Achieve Sustainable Food Systems in Africa, was a call to action to rethink Africa's food systems in the delivery of resilient, better nourished, and more prosperous outcomes for all.



Catherine Nakalembe



André Bationo

The Forum focused on driving progress and the achievement of the goals in the Malabo Declaration of the African Union. Additionally, the AGRF 2020 aligned with the AU Agenda 2063 and the UN Sustainable Development Goals (SDGs).

At the AGRF, Ugandan professor Catherine Nakalembe, a remote sensing scientist, and Burkinabe soil scientist André Bationo were jointly awarded the USD100,000 Africa Food Prize in recognition of their exceptional contribution towards the promotion of food security across the continent.

Multi-million-dollar Partnerships Struck at the Agribusiness Dealroom

The Agribusiness Dealroom is a year-round matchmaking platform at the AGRF that facilitates partnerships and investments in African agriculture. The Dealroom supports governments and companies with access to finance and partnership opportunities.

The 2020 Dealroom brought together 3,600 key stakeholders from over 90 countries, among them entrepreneurs, farmers, governments, investors, financial institutions, NGOs and development partners in 800 bilateral and multilateral meetings. Companies participating in the Dealroom sought approximately USD5 billion in agribusiness investment commitments. Close to 1,000 companies from 27 different countries interacted in the Dealroom, where over 200 SMEs with collective annual revenue of USD255 million sought USD547 million of capital. About 57% of SMEs who participated had strong women leadership: more than a third of the owners or management were women.

Digital Partnerships

CropIn and AGRA partner to Provide Agriadvisory Services in Africa

AGRA partnered with AI-driven agritech firm CropIn to provide information and advisory services to African farmers through a digital platform that seeks to boost their productivity and income. In the new partnership, CropIn and AGRA will select and train 10,626 entrepreneurial VBAs to reach three million farmers in Ghana, Nigeria, Burkina Faso, Mali, Tanzania and Mozambique. Knowledge dissemination and advisory services to farmers via VBAs will be provided through the digital platform by the remotely-placed agronomists. Advisories provided will be on sustainable farming practices, pest and disease outbreak, weather forecast, and more.

Ibm and Agra Develop Tool for linking Maize Farmers to Predictable Markets

IBM is working with AGRA grantee KUMWE on an e-Logistics platform for sourcing maize from farmers in Rwanda. IBM uses AI technology to locate maize supply and project yield outcomes. The yield forecasting model enables the scalable prediction of farm yields by tracking weather and remote sensing data throughout the growing season.

Youth Agripreneurship Development Program

In 2019, Nestlé Central and West Africa (CWA) and AGRA launched the Youth Agripreneurship Development Program (YADIS) to catalyze the sustainable development of farmer livelihoods and youth opportunities in farming and agri-food businesses in Côte d'Ivoire, Ghana and Nigeria. Nestlé CWA is participating in the program as part of its mission to develop local farmers and suppliers through implementation of sustainable agricultural practices and responsible sourcing operations to support profitable business growth. The program seeks to benefit 2,000 young agripreneurs and smallholder farmers, particularly women, with training on good agricultural practices and entrepreneurial skills to produce and supply high quality maize, soybean, rice, cassava, cocoa and coffee.

With AGRA providing financial assistance, Nestle provides the quality checks of raw materials and has signed off-take agreements with participating firms. The goal is for the farmers to realize higher crop yields and develop diversified cropping systems that utilize mechanization and digital tools. The program is not only helping young people become the proud owners of profitable agribusiness enterprises and a driving force of agricultural transformation in Africa, but it also has the potential to address rural migration and soaring youth unemployment.



Generation Africa Partnership

AGRA is a core member of The Generation Africa partnership, a continental initiative aimed at creating advocacy for youth-led agricultural SMEs while building an ecosystem of support to youth agripreneurs through advocacy and enabling ecosystem. Throughout the year, 3,000 entrepreneurs showcased their innovative solutions for Africa's agriculture and food security problems in the GoGetta competition. Twelve were selected to pitch at the AGRF, where two won USD50,000 each. The winners were Phema Agri, a digital agriculture investment platform, and Magofarm, an insect technology startup that turns food waste into insect protein for animal feed.

Value4HerConnect: A digital Platform to Facilitate Women-owned Agri-SMEs

There are more female than male entrepreneurs on the African continent, but their small businesses remain informal and are not growth oriented, limiting their ability to generate income and employ others. To support women's agripreneurship, AGRA acquired the former CTA program VALUE4HER and relaunched its women SMEs Digital marketplace asset, VALUE4HERConnect.

Value4HerConnect is Africa's first Women in Agribusiness digital marketplace. The platform offers integrated business solutions to women companies, to enable them to build visibility, business networks and collective capital across the continent while facilitating easier

connections with buyers, financiers and other service providers.

Value4HerConnect has, so far, registered 1163 women-owned agribusiness from 39 African countries, putting a wide array of training modules and resource material at their fingertips. AGRA's advocacy to strengthen women's agribusinesses has reached nearly 2000 partners creating more opportunities for this demographic.

COVID-19 Recovery and Resilience for Women SMEs

With 2020 presenting unprecedented challenges as a result of the COVID-19 pandemic, AGRA, together with several partners including AUC Empowering women in agriculture, UNWOMEN, AfDB and Microsoft Africa, set out to prepare a comprehensive response that is also tailored to build resilience for future shocks. Going into 2021, key response actions are being designed with a focus on business recovery, restoration and resilience.





State Capability and Policy Development Support

State Capability

Our impact is evident both in the improved process of developing National Agriculture Investment Plans (NAIPs) and flagships, as well as the resulting mobilization of financial resources. For example, governments in Ghana, Kenya, Burkina Faso, Tanzania and Malawi have shown increasing leadership and ownership of the flagships approach by putting in their own resources for implementation and championing for scale up.

Our Flagships - prioritized and bankable investment projects selected from NAIPs - are strengthening government capacity and mobilizing investment for the delivery of services to farmers. In 2020 we continued to support the implementation of nine flagship programs across East, West and Southern Africa. Through the flagships, we are seeing agriculture investment opportunities attracting more investments from other public and private stakeholders in the sector.

We also supported the development and improvement of nine national agriculture monitoring and evaluation (M&E) systems and trained over 352 government staff on measurement tools, systems and frameworks. This led to increased use of data and information from mutual accountability processes to design evidence-based policies and plans.

AGRA's M&E support further led to the improved quality and availability of data in the completed process for country reporting in the Malabo Biennial Review. The Review supports accelerating agriculture transformation on the continent.

AGRA's investments have also supported governments in 2020 in Burkina Faso and Ethiopia to enhance the budgeting, planning and execution capacity for agriculture ministries in these countries.

Improved Budgeting Software Increases Efficiency at Burkina Faso's Ministry of Agriculture

A timely software investment by AGRA has helped Burkina Faso's Ministry of Agriculture and Hydro-agricultural Development (MAAH) reduce its budget processing time from eight to three months, while ensuring high levels of accuracy and reducing administrative workload. The efficient planning supported by the software made it possible to sufficiently use available resources in achieving critical commitments amidst a 20bn FCFA (USD36.4 million) budget reduction.

Policy and Advocacy

In 2020, we saw 28 policy reforms implemented across our focus countries. These included regulatory reforms for input and output markets, which increased the adoption of improved seed and fertilizers by farmers as a result of more efficient subsidy programs.

In Kenya, our work on macro subsidy reform has strengthened a system that had previously been vulnerable to inefficiencies and corruption. Our micro-policy work on fertilizer policy **in Tanzania** improved an onerous registration process and removed costly, duplicative processes and fees.

In Ghana, with AGRA's support, the Government of Ghana developed regulations for the management and control of aflatoxin, which because of its dangerous impact on human and animal health, can be ruinous to farmers.

In Mozambique, farmers are set to benefit from local crop-specific fertilizer blends that have now been validated and registered to companies for mass production.

In Uganda, farmers have better access to loans after the Agriculture Finance Bill was endorsed by the Cabinet. The policy allows the acceptance of movable assets as collateral. As a result, commercial banks have now increased their lending to smallholder farmers and agricultural SMEs from **7% to 12.9%** of their portfolio. The Uganda Development Bank also received a **USD300 million** capital support to service agricultural SMEs at friendlier rates of **10% - 12%** against a market rate of **18% - 22%**. With the support of the Bill and Melinda Gates Foundation, AGRA's HAPA Initiative is helping governments

to more easily assess their interventions, draw lessons, and implement programmatic changes that ensure better outcomes.

The AGRA advocacy team, together with the African Union and other key partners, has strengthened countries' capacity to report on their CAADP and Biennial Commitments. In the 2019 Biennial Review, three out of four countries that were on track were AGRA supported countries, and 8 out of 10 countries that demonstrated strong progress were AGRA focus countries. At the national policy level, we are seeing increased adoption of improved seed and fertilizers by farmers as a result of more efficient subsidy programs.



Regional Food Trade and Resilience

During COVID-19, our Regional Food Trade Programme has provided rapid COVID-19 impact analyses that have helped shape our policy work by identifying key policy and market bottlenecks that impede food trade in the region. The newly-established Regional Food Balance Sheet Initiative for East and Southern Africa will provide crop production forecasts for major food commodities in the region. The digital platform will aggregate historical and forecasted production, trade, prices, stocks, and consumption. The initiative will aid governments' food security decision-making and private sector investments.

Our Governance Structure

Our Leadership

AGRA's Board of Directors is a governing body with legal duties and responsibilities. As the governing body for AGRA, the Board is legally accountable for the organization and is required to act in the interests of AGRA's stakeholders, employees and the public good. In support of these goals, the Board provides strategic guidance to the organization, maintains independent oversight of its financial and programmatic performance, and ensures effective management and governance. In carrying out its mandate, the Board is supported by several internal committees. These include:

Audit Committee

Provides AGRA's Board of Directors, donors and stakeholders with assurance that AGRA's financial reporting, internal controls and risk management meet the highest standards, and that AGRA is in compliance with all relevant laws and regulations.

Finance and HR Committee

Responsible for safeguarding AGRA's financial assets and ensuring the effective and transparent use of AGRA's financial and human resources.

Nominations and Governance Committee

Responsible for maintaining the quality and effectiveness of AGRA's Board of Directors, and ensuring that the Board fulfils its legal responsibilities and adheres to guidelines and standards of practice in corporate governance.

Program Committee

Advises the AGRA Board and program leaders on AGRA's strategic direction, recommends program investments and monitors results.



In memory of our board member Ms. Linah Mohohlo

The late Ms. Linah Mohohlo from Botswana served as a Member of the AGRA Board of Directors from October 2012 to the time of her passing on 2 June 2021 and she was additionally Chancellor of the University of Botswana, the first woman to be appointed to this role in July 2017.

Linah previously served as the Governor of the Bank of Botswana from 1999 to 2016 and was tireless in her efforts to ensure financial inclusion across Africa during her remarkable tenure. She also previously served as Special Appointee to the International Monetary Fund (IMF) and was a member of the International Monetary and Financial Committee (IMFC: 2000-02), representing the Africa Group 1 Constituency comprising 21 sub-Saharan African countries.

In his condolence message, the AGRA Board chair H.E. Hailemariam Dessalegn remembered Linah for her brilliance, passion and commitment to the improvement of women's livelihoods in Africa which was encapsulated in her unwavering service on the AGRA Board of Directors for over nine years.

Financial Report

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P.O Box 44286-00100, GPO
Nairobi, Kenya

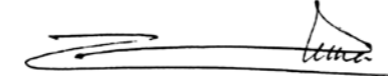
Board Of Directors

1. H.E. Hailemariam Dessalegn
Board Chair
2. Nick Austin
3. Frank Braeken
4. Joachim von Braun
5. Cristina Duarte
resigned on June 30, 2020
6. H.E. Jakaya Kikwete
7. Linah Mohohlo
8. Kanayo Nwanze
9. Hixonia Nyasulu
10. Rajiv J. Shah
11. Josette Sheeran
12. Fred Swaniker
13. Rodger Voorhies
14. Usha Zehr
15. Lionel Zinsou
16. Ndidi Okonkwo Nwuneli
appointed on January 27, 2020

Auditors

The group auditor, Ernst & Young LLP, has expressed willingness to continue in office.

By order of the Board of Directors.



Mr H.E. Hailemariam Dessalegn
Board Chairman, AGRA

15 April 2021

The directors are responsible for ensuring that AGRA keeps proper accounting records that are sufficient to show and explain the transactions of AGRA; disclose with reasonable accuracy at any time the financial position of AGRA; and that enables them to prepare consolidated financial statements of AGRA that comply with prescribed financial reporting standards. They are also responsible for safeguarding the assets of AGRA and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

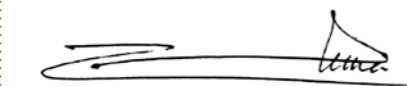
The directors accept responsibility for the preparation and presentation of these consolidated financial statements in accordance with Accounting Principles Generally Accepted in the United States of America (US GAAP). They also accept responsibility for:

- i. Designing, implementing and maintaining internal controls as they determine necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error;
- ii. Selecting suitable accounting policies and then apply them consistently; and
- iii. Making judgements and accounting estimates that are reasonable in the circumstances.

Having made an assessment of AGRA's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon AGRA's ability to continue as a going concern.

The directors acknowledge that the independent audit of the consolidated financial statements does not relieve them of their responsibility.

Approved by the board of directors on 15 April 2021 and signed on its behalf by:



Mr H.E. Hailemariam Dessalegn,
Board Chairman, AGRA. 15 April 2021



Dr. Agnes Kalibata
President

Statement of Financial position as 31st December 2020

Consolidated statement of financial position

IN THOUSANDS	NOTE	2020 US\$	2019 US\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	59,845	59,378
Receivables and prepaid expenses	4	3,266	3,335
Investments in BlackRock	5	28,711	27,968
Total current assets		91,822	90,681
NON-CURRENT ASSETS			
Investments in Injaro	6	1,168	1,490
Investments in Financial Assets	7	779	1,711
Investments in ABC Fund	8	4,740	2,256
Intangible assets, net	9	209	282
Property and equipment, net	10	902	964
Total non-current assets		7,798	6,703
Total Assets		99,620	97,384
LIABILITIES AND NET ASSETS			
Accounts payable and other liabilities	11	7,137	6,834
Contributions payable	12	6,659	7,069
Repayable Loans	13	12,918	12,632
Program grants payable	14	1,770	
Total liabilities		28,484	26,535
NET ASSETS			
Without donor restrictions	15	9,500	8,301
With donor restrictions	15	61,636	62,548
Total net assets		71,136	70,849
Total liabilities and net assets		99,620	97,384

Consolidated statement of activities

REVENUE			
Contributions received	16	93,703	117,661
Net investment income	17	1,007	1,157
Other income	17	1,602	949
Total revenue		96,312	119,767
OPERATING EXPENDITURE			
Grants	14	52,728	52,911
Other Program Costs	18	8,140	11,739
ASIF Costs		1,057	633
AECF Program Costs	18	6,965	7,598
Monitoring and Evaluation Costs	18	2,879	2,849
Program support Costs	18	15,951	19,476
Resource Mobilization Costs	18	692	673
Administration and support Costs	18	7,613	9,351
Total expenditure		96,025	105,230
Change in net assets		287	14,537

Key Partners

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