

From Strength to **Strength**

2012



“We are poised to succeed in our quest to eradicate hunger and poverty in Africa through transforming agriculture. With the right policy mix, appropriate interventions by African Governments, the continued support of donors, and robust participation of the private sector, both local and foreign, transformation of agriculture in Africa can be achieved.”

**His Excellency Dr. Jakaya Mrisho Kikwete, President of The United Republic of Tanzania,
Opening the African Green Revolution Forum 2012, 27 September 2012, Arusha, Tanzania**

Copyright©2013 by the Alliance for a Green Revolution in Africa (AGRA). All rights reserved. The publisher encourages fair use of this material provided proper citation is made.

ISBN: 978-92-990054-5-3

Correct Citation:

AGRA in 2012: Moving from Strength to Strength. Nairobi, Kenya: Alliance for a Green Revolution in Africa (AGRA). 2013.

Writing/Editing:

Tiff Harris, TH Consulting, Ltd. Nairobi, Kenya

Notable appreciation to AGRA’s President, Jane Karuku, for her leadership and direction in the production of this report.

Editorial Committee:

Team Leaders:-Steven Were Omamo (AGRA Director, Policy) and Sylvia Mwichuli (AGRA Director, Communications & Public Affairs),
Members: Vuhya Amulyoto, Augustine Langyintuo, Nixon Bugo, Andre Dellevoet, Jane

Njuguna, David Kimani, Abednego Kiwia, Mulemia Maina, Liston Njoroge, Mellyne Ongang’o, Ann Mureithi, Akim Mbeche, Judith Naibei, Grace Obuya, Ignatius Mutula, Jared Odhingo

Design and Layout:

Y & R Advertising/Craftsman Production, Nairobi, Kenya, and Akim Mbeche

Photo Credits:

Pstudio.66, Madlen, AGRA, Google, AGRF 2012, A. Mbeche, Monkey Business Images, R. Khamis, D. Chavez, B. Brown, S. Mann, Bikeriderlondon, Lenetstan, N. Laurens, Junial Enterprises, W. Chawarung, Humannet, J. Hongjan, Africa 924, AGMARK, V. Ivashchenko, Symbiot, EAGC, I. Kaenla, S. Heap, I. Makanda, S. Cakir, H. Shaheed

Printing:

Smart Printers Limited, Nairobi, Kenya



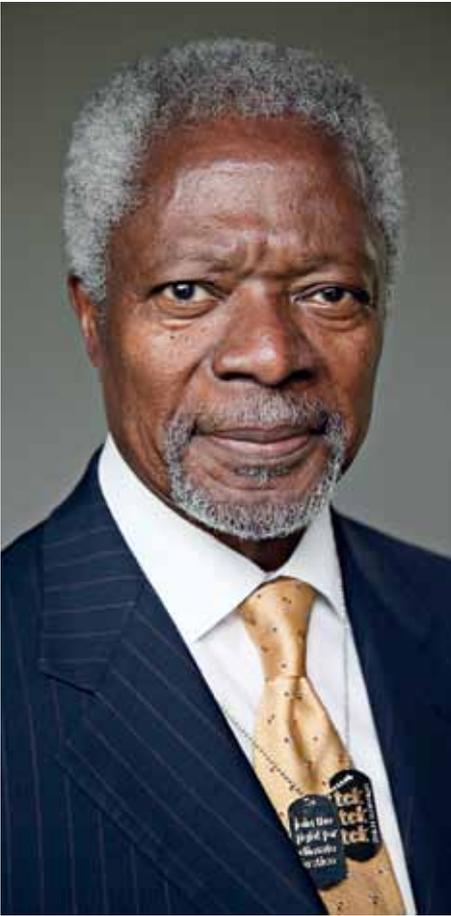
Contents

A Word from the Chairman	6
Thoughts from the President	8
AGRA Today	10
Our Mission, Goals and Strategic Objectives	10
What We Do	10
Our Breadbasket Strategy	11
Where We Work	11
Our Major Programs and Initiatives	12
The Importance of Building Public/Private Partnerships	13
Hosted Institutions	13
Highlights from 2012	14
Investing in Africa's Breadbaskets	14
Building Africa's Seed Systems	16
Overcoming the Soil Health Crisis	19
Opening Markets to Smallholder Farmers	24
Prompting Better Agricultural Policies	28
Encouraging Affordable Credit for Agriculture	30
Strengthening Farmer Organizations	33
Mobilizing Innovative Private Sector Investments in Agriculture	37
Cultivating Development of African Rice Production	38
Casting a Wider Net in Resource Mobilization	40
Giving Attention to Gender	41
Improving Monitoring and Evaluation	42
Increasing AGRA's Visibility	44
Improving Lives and Livelihoods Across Africa	47
Building the Capacity of Agricultural Researchers	48
Commercializing Smallholder Agriculture	53
Improving Policies	63
Helping Countries Emerging from Conflict	66
The African Green Revolution Forum 2012	68
2012 Financials	73
Principal Staff	80

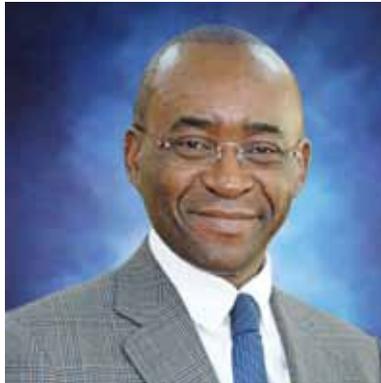


From
strength
to **strength**

AGRA Board of Directors



Kofi Annan
Board Chair;
Secretary General of the
United Nations (1997-2006)



Strive Masiyiwa
Board Vice-Chair; Chairman of
Econet Wireless International



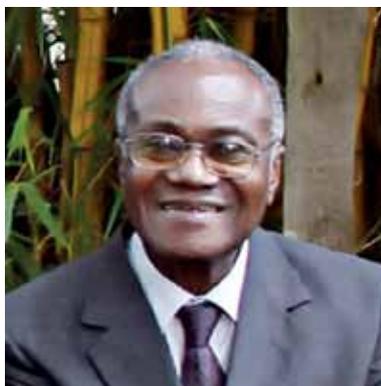
Sam Dryden
Co-Chair, Programs & Policy Committee;
Director of Agricultural Development,
Bill & Melinda Gates Foundation



Roy Steiner
Chair, Finance Budget and
Compensation Committee, Deputy
Director of Global Development,
Bill & Melinda Gates Foundation



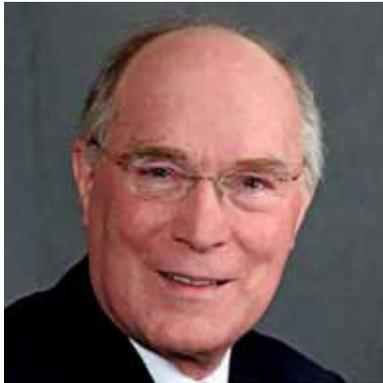
Judith Rodin
Co-Chair, Programs and Policy
Committee; President, Rockefeller
Foundation



Moise C. Mensah
Chair, Nominations and Governance
Committee; High Commissioner for
Consultative Governance, Benin



Nadya K. Shmavonian
Chair, Audit and Outcomes
Committee



Rudy Rabbinge
Chair, Grants Review Committee;
Professor, Wageningen University,
The Netherlands



Maria Isabel Andrade
Sweet potato breeder and seed
systems specialist, International
Potato Center (CIP)



L. K. Mohohlo (nee Tsiako)
Governor of the Bank of Botswana



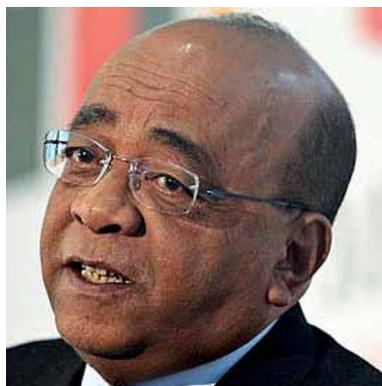
Josette Sheeran
Vice-Chair of the World Economic
Forum; Former Executive Director
of the World Food Programme



Usha Barwale Zehr
Joint Director of Research at
Maharashtra Hybrid Seeds
Company Limited, India



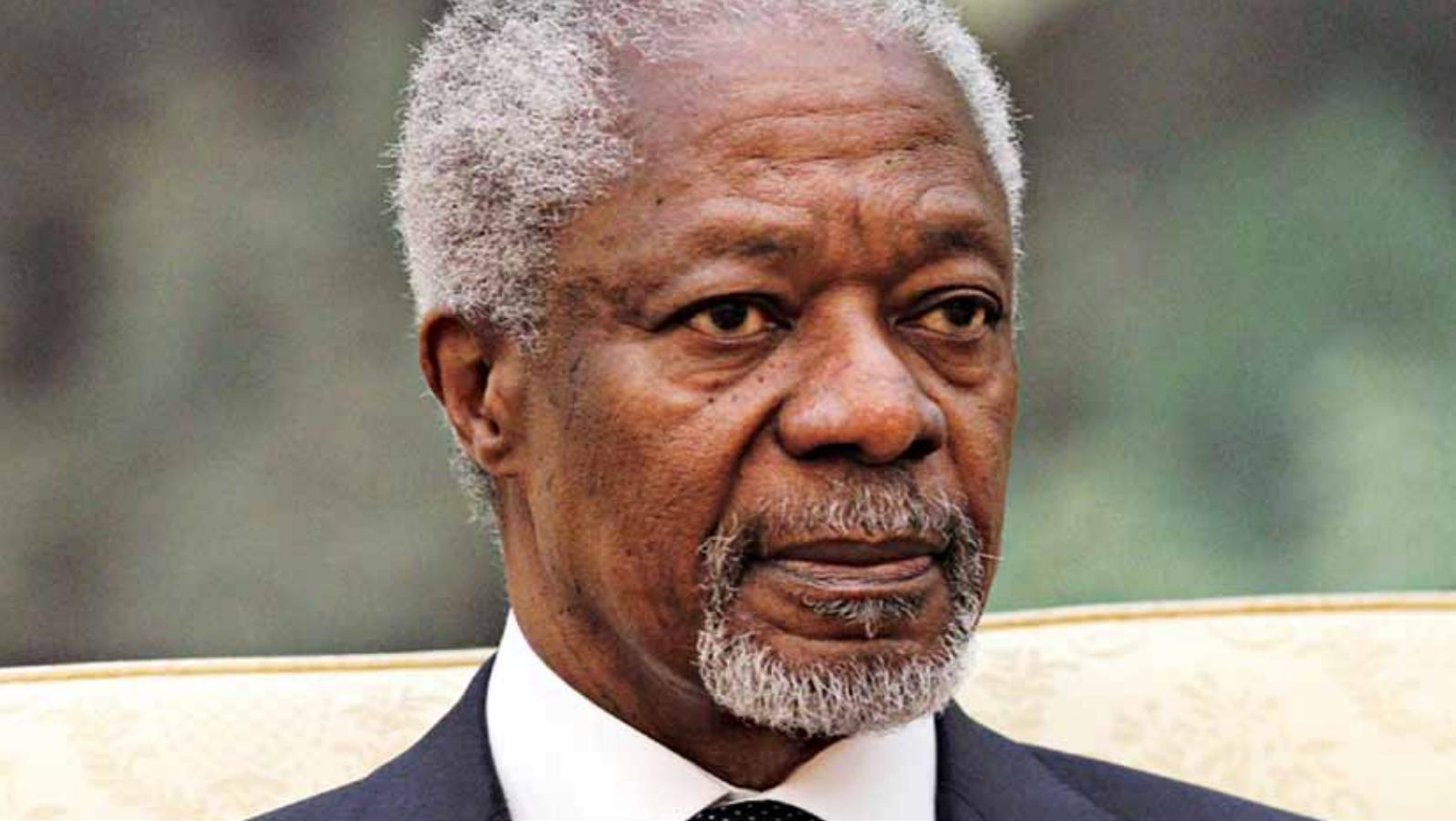
Jane Karuku
Ex-officio Member
and President of AGRA



Mohammed (Mo) Ibrahim
Founder and Chair,
Mo Ibrahim Foundation



Monty Jones
Executive Director, Forum for
Agricultural Research in Africa (FARA)



A Word from the Chairman

African agriculture remains at the top of the world's development agenda. We are seeing a rapidly rising level of interest and action by African lawmakers to strengthen agricultural policy, to the benefit of small and large-scale farmers alike.

New public/private partnerships focused on scaling up what works are now being formed all along the continent's food value chains. We are witnessing a faster pace of public and private investments in agriculture, in part because of improving national policies and regulatory measures. These include significant investments by AGRA and its partners in large breadbasket areas in Ghana, Mali, Mozambique and Tanzania, as well as in several important agricultural growth corridors.

We are encouraged, as well, by the significant promises of support made by a number of donor country governments, international agricultural development organizations, and emerging market and private sector entities, even in the face of continuing fiscal uncertainties caused by the recent global financial crisis.

In reality, however, those who will transform African agriculture are the millions of farmers who earn their livelihoods from the soil. Improving farm-level productivity – especially that of smallholders, but also larger commercial farmers – commands our full attention. We must scale up efforts to move subsistence farmers towards market-

oriented operations, while working closely with larger commercial farmers that can afford to test new technologies and aggregate smallholder production for market.

I firmly believe that the transformation of African agriculture has moved beyond its tipping point, and that we now – for the first time – have the momentum needed to achieve our vision of a uniquely African Green Revolution. The evidence is all around us.

Smallholder access to more efficient input and output markets is increasing rapidly, and so is the use of higher yielding, disease- and drought-resistant crop varieties. These improved varieties are often grown using more affordable fertilizer and environmentally sound techniques for its application, such as microdosing. The combined effects of these changes: higher incomes and greater food and nutritional security across Africa.

In general, we are witnessing a growing emphasis on “climate-smart” agriculture and cutting-edge technologies that are helping farmers to both cope with the effects of climate change and help mitigate the problem. In addition, major investments are now being made in Africa’s rural infrastructure and key port facilities by governments, the donor community, and private companies.

We must maintain this welcome momentum. We must significantly scale up investment and innovation in sustainable agriculture, not only to reduce poverty and increase food and nutritional security, but also to enable the sector to play its rightful role in driving economic growth and development. African leaders are doing their part, putting policies in place that inspire innovation



and reduce risk, and that encourage public and private investment in agriculture.

Our shared focus on improving the productivity and profitability of smallholder farmers – most of whom are women – cannot waver. They are the ones who put food on our tables. They are the ones who care for our land and water resources. And in the end, they will be the ones who propel Africa’s economic growth and development in the 21st century.

All African farmers – small and large – must be involved in transforming agriculture across the continent. It is their practical local knowledge and skills, coupled with the products of high-caliber agricultural research and many other public and private sector interventions, which will ultimately lead to the success that future generations of Africans are counting on us to achieve.

Kofi A. Annan
Chairman



Thoughts from the President

In October 2012, AGRA began its sixth full year of operation. The story of our first five years is one of commitment, learning and accomplishment. In close partnership with others, much has been done in a short time to stimulate African agricultural innovation and change. All those involved in bringing us to this point – and especially my predecessor, Dr. Namanga Ngongi – deserve recognition for what has been achieved.

Our job now is to look to the future, and to move from strength to strength as we promote the continued transformation of Africa's agriculture. We are far from done; in truth we are only getting started.

We now have under one roof most of the relevant expertise and support programs that matter to farmers – access to quality seeds, fertilizers and other inputs; access to credit and to markets; an ability to help develop better agricultural policies; a capacity to facilitate the transfer of knowhow; the skills needed to strengthen farmer organizations and promote their common interests; and the gender expertise required to ensure attention to the needs of women, youth and other vulnerable groups.

AGRA's work starts with investing in the agricultural scientists of the future, those who will make the R&D breakthroughs that will benefit generations of African's as yet unborn, and strengthening seed production and delivery systems across the continent.

We support governments as they design agricultural policies that reduce risk, improve market stability, and encourage innovation. We have tested novel ways to increase the availability of more affordable credit to farmers and small-scale agribusinesses, and are helping governments and others scale up promising approaches.

We invest in activities that focus on Africa's long-neglected soil health crisis, improving farmer knowledge about integrated soil fertility management practices and their access to more affordable soil nutrients. We fund work that seeks to improve the profitability of smallholders by increasing their knowledge about and participation in markets.

Much of what we do is motivated by the desire to help smallholders join forces and move towards capitalizing on commercial opportunities. In addition, we are investing in the agricultural sectors of African countries that are only recently emerging from conflict, such as South Sudan.

Highlights of our progress in these and other areas are provided in this Report. We are also pleased to share selected examples of how lives and livelihoods are changing as a result of some of our interventions. It will not come as a surprise that the progress reported here



has been achieved in partnership with many other organizations, both public and private. We understood early on that transforming African agriculture requires working closely with others – those who share our vision of a more productive and profitable agricultural sector – while listening carefully to alternative points of view.

AGRA and its partners are catalyzing a true transformation of African agriculture, reducing poverty, ensuring food and nutritional security, and helping to fuel broader economic growth and development across the continent. We are in this for the long haul, and always on the lookout for new opportunities to join with others who share our commitment to Africa's future.

Jane Karuku
President



AGRA Today

Our Mission, Goals and Strategic Objectives

AGRA's mission is to trigger a uniquely African Green Revolution, one that transforms agriculture into a highly productive, competitive and sustainable system that assures food security and lifts millions out of poverty.

We have set our sights on achieving **three major goals** by 2020:

- 1) Reducing food insecurity by 50% in at least 20 sub-Saharan Africa countries;
- 2) Doubling the incomes of at least 20 million smallholder farmers across the continent; and
- 3) Moving at least 30 countries onto a sustainable path towards transforming their agricultural sectors.

We organize our work around **six strategic objectives**:

- 1) Developing technologies to rapidly increase agricultural productivity in environmentally sound ways;

- 2) Increasing incomes, improving food and nutritional security, and reducing poverty among Africa's smallholder farmers;
- 3) Encouraging agricultural policies and incentive systems that improve farmers' access to new technologies, knowledge, credit and other necessary resources;
- 4) Helping to forge effective alliances among public and private donors, national governments, research and civil society organizations, farmers' groups and others;
- 5) Inspiring action by demonstrating what is possible; and
- 6) Identifying critical gaps in the human resources and financing needed to achieve a Green Revolution in Africa.

What We Do

Agriculture is a driving force behind economic growth and development in Africa, and we work with many public and private partners to improve the long-term productivity and profitability of this vital sector. We focus primarily on making things

better for smallholder farmers – the women and men who produce 90% of Africa’s staple foods. We invest at strategic points along the agricultural value chain:

- Improving agricultural research;
- Rebuilding Africa’s seed and agricultural input systems;
- Renewing the health and fertility of its soils;
- Increasing farmers’ access to input and output markets;
- Strengthening agricultural policies;
- Supporting the development of farmers’ organizations; and
- Increasing the flow of more affordable credit to farmers, and the small- to medium-sized agribusinesses that serve them.

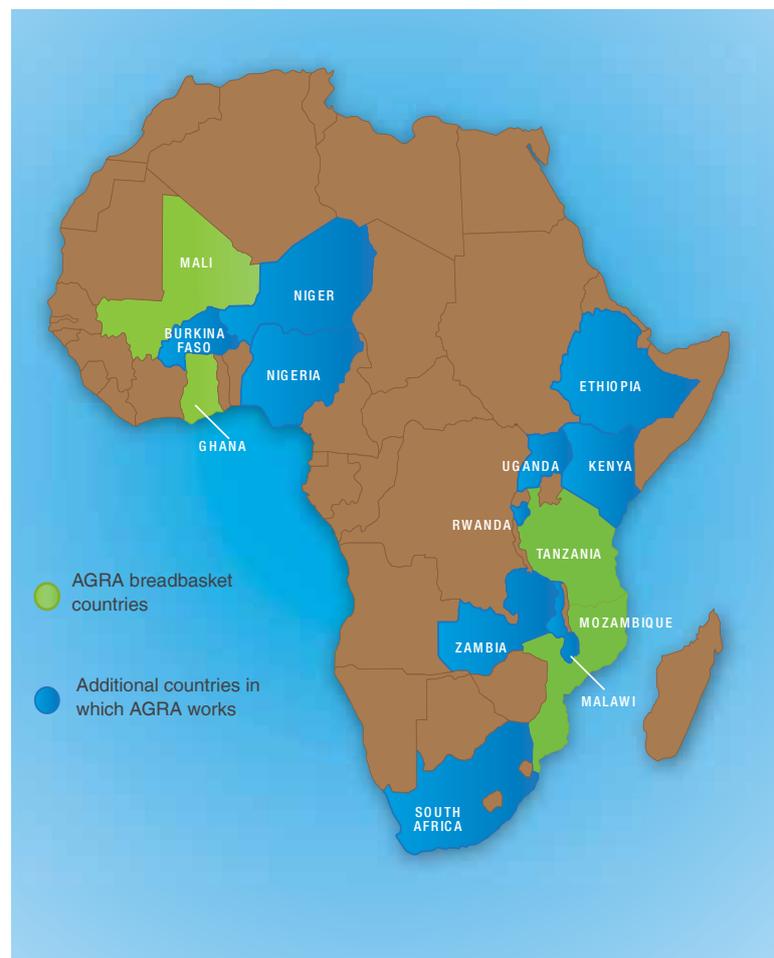
Our Breadbasket Strategy

Our work in breadbasket areas – which are large, high-potential agroecological regions that have good soils, dependable rainfall, basic rural infrastructure – is already bearing fruit, with large numbers of farmers working hard to improve their productivity and profitability.

We are operating in clearly defined breadbasket regions in four countries – Ghana, Mali, Mozambique and Tanzania – though our work in Mali was temporarily scaled back in 2012 due to civil unrest. AGRA Country Officers have been appointed to spearhead implementation in each country, and to help coordinate the work of our different programs and initiatives. All four countries have developed detailed Breadbasket Investment Plans aimed at supporting fresh and creative public/private partnerships, and to guide the financial investments made by AGRA and its allies. We are also engaged with a number of other countries so as to prepare the way for future investments.

Where We Work

AGRA is actively involved in 16 sub-Saharan Africa countries. Five of these are in West Africa, with the rest in the eastern and southern regions of the continent (see map). About 40% of our resources are going towards work in the major breadbasket areas of Ghana, Mali, Mozambique and Tanzania. These countries have shown a strong desire and clear commitment to transforming their agricultural sectors. Our strategy rests on the belief that we can achieve greater impact by concentrating on the high-potential breadbaskets of these countries, and in doing so demonstrate effective approaches for improving agricultural productivity that can be scaled up and out to other countries.



Our Major Programs and Initiatives

In order to really transform African agriculture, AGRA and its partners invest at key points along the staple food value chains. Our programs for improved seed systems, soil health, market access, better policies, affordable agrifinance, and collective action through stronger farmers' organizations are linked by a shared vision – moving subsistence farmers towards sustainable, more productive, and more profitable farming operations.

We invest in strengthening agricultural education and extension, training young people, developing rural infrastructure, improving soil and water management, and enabling farmers to adapt to and, in some cases, help mitigate climate change. All of our programs pay special attention to women farmers – the people who produce the majority of Africa's food. We seek to empower women with full and equal access to finance, land security, extension services, and new agricultural tools and technologies.

AGRA's Program for **Africa's Seed Systems** supports the breeding of improved seed and works to ensure that improved crop varieties get to farmers. Today, less than 25% of sub-Saharan Africa's farmers use high-yielding, locally adapted seed. Poor seeds and depleted soils have kept yields at only one-quarter of the global average.

Our **Soil Health Program** improves productivity by increasing the availability of locally appropriate soil nutrients and promoting integrated soil and water management. Our Seed Systems and Soil Health Programs work together to raise farmers' yields; both are key to environmental sustainability and helping farmers adapt to and mitigate climate change.

The **Market Access Program** is focused on expanding market access for smallholder farmers. The Program also works in concert with Seeds and Soils to help make sure their efforts are demand driven and that farmers are able to store and market their surplus production.

The **Policy Program** works to develop and strengthen evidence-based agricultural policies that provide smallholder farmers with comprehensive support at the national, regional and global levels.

Our **Agrifinance Initiative** works with African financial institutions, governments and other partners to open the door for farmers and agricultural businesses to affordable loans, and to leverage the public and private financial resources needed to drive agricultural change.

The **Farmer Organization Support Center in Africa**, a relatively recent AGRA initiative, strengthens the capacity of farmer organizations to deliver high quality, demand-driven, and income-enhancing services to their members.

Our **Gender Unit** is working to mainstream gender considerations into grantee proposals and funding, and strives to strengthen gender competence within AGRA through training and by building gender insights into our investment programs.

AGRA's **Monitoring and Evaluation Unit** is dedicated to working with grantees and other partners to generate high-quality data about the effectiveness and impacts of our investments, and to making such data and information more relevant and accessible to key decision makers.



Our **Resource Mobilization Unit** is focused on both maintaining the vital financial support being provided by our current sponsors and to cultivating relationships with potential new investors with whom we share a common vision for transforming African agriculture.

The **Communications Unit** strengthens and improves the flow of relevant and timely information to a range of AGRA stakeholders and partners, and in so doing strives to increase the recognition of AGRA as a leader in agricultural development thought and action, and to highlight the results and impacts of its programs and initiatives.

The Importance of Building Public/Private Partnerships

Strong public/private partnerships are at the heart of what we do and how we do it. As our name implies, AGRA is first and foremost an Alliance of like-minded and complementary organizations engaged in a common enterprise – transforming African agriculture in order to reduce poverty, increase food and nutritional security, and improve and safeguard our shared natural resource base. We work with a diverse range of public and private institutions at all levels – local, national, regional and international.

Our partnerships, both with public and private sector organizations, reflect who we are and what we are trying to achieve.

Hosted Institutions

We host two independent organizations whose work is highly complementary to our own – the African Enterprise Challenge Fund (AECF) and the Coalition for African Rice Development (CARD). AECF was established in mid-2008 as special partnership with AGRA to promote private sector investments aimed at transforming Africa's rural areas. To this end, AECF focuses on three sectors that matter most to the rural poor: agribusiness, financial services, and access to energy and adaptation to climate change.

CARD is another special high-level partnership established in 2008. It involves collaboration between AGRA, the Japan International Cooperation Agency (JICA) and the New Partnership for Africa's Development (NEPAD), which has as its goal the doubling of rice production in sub-Saharan Africa within ten years. CARD is working with a network of 23 rice-producing African countries to generate detailed National Rice Development Strategies designed to attract and leverage public and private funding of rice production and processing.



Highlights from 2012

This was a year of solid progress for AGRA and its partners. Highlighted here, the major contributions of our programs and initiatives to achieving our shared goals and objectives.

Investing in Africa's Breadbaskets

AGRA's breadbasket strategy is meant to provide an investment platform to catalyze an African Green Revolution that puts smallholder farmers first, increasing their productivity and profits. The aim is to create vibrant agrifood systems that extend from farmers' fields to local, national and regional markets.

Our breadbasket investments in Ghana, Mali, Mozambique and Tanzania are making a difference. Our activities in Mali were suspended during 2012 due to civil unrest. The key to our strategy is the implementation of tightly linked agricultural development projects in

these countries, with investments coming from governments, various partner organizations, and AGRA's programs. We have placed Country Officers in each country to work with others, both locally and within AGRA, to achieve progress where it matters most – at the ground level.

As we hoped, a number of donors are now adopting the breadbasket approach as a model for targeting their investments, and are directing funds to selected breadbaskets to enhance agricultural productivity. For example, USAID is channeling a large share of "Feed the Future" funds into developing the breadbaskets of Ghana and Tanzania. The World Bank is doing something similar in Ghana, and Norway has expressed strong interest in linking with the breadbasket programs in Ghana, Mali, Mozambique and Tanzania.

Ghana

In the Northern Region breadbasket area, AGRA is partnering with DANIDA to roll out an Agricultural Value Chain Facility (AVCF), which includes funds for strengthening farmer

organizations, agro-dealers, and small- to medium-sized agribusinesses that purchase produce from smallholder farmers.

In May 2012, our Board approved a US\$ 1.05 million project and activities began immediately, in partnership with the Adventist Development and Relief Agency (ADRA) of Ghana. We are working with farmer organizations, agrodealers and small to medium-sized agribusinesses to improve productivity, market linkages, and access to financing.

The project is designed to produce 30-50% higher yields of maize, rice and soybean, link an estimated 10,000 farmers in 400 farmer organizations to established markets, train 100 community artisans to help farmers and communities construct and rehabilitate communal and household storage and processing facilities, and create some 280 new jobs. Gender and social diversity analyses are being done to understand the gender roles and relations involved in production and processing at different levels: from the village, household and individual levels, all the way through the various crop value chains.

Expected outcomes of the project include: improved capacity of individual farmers and their organizations to scale up integrated soil fertility management (ISFM) and crop production technologies, leading to increased yields; increased farmer access to needed inputs (improved seeds and fertilizers) and to land preparation services; and improved access to markets.

Mali

While most of our work in Mali was suspended in 2012, the major areas of conflict are in the

north and the country's breadbasket is in the south (in the Sikasso Region). In August we began following up on our investments in this breadbasket area and, while we are still holding off on new projects until the situation stabilizes, we are pleased with the progress being achieved. The Sikasso breadbasket has benefitted greatly from the enthusiastic support of the local Director of Agriculture. Together with other government officials in the region, about 1,000 model/lead farmers have been identified who can serve as produce aggregators. The fertilizer micro-dose technology advocated by our Soils Program is being effectively demonstrated, and Mali's Institute of Rural Economy (IER) and the Sikasso Regional Directorate are supporting farmers, through their cooperatives, to scale up its application.

Mozambique

The high agricultural potential of Mozambique's Beira Corridor allows farmers to intensify their farming operations by using modern and environmentally sustainable techniques. Our Soils Program is working with the Instituto De Investigação Agrária De Moçambique (IIAM) Centro Zonal Centro (IIAM-CZC), to improve smallholder productivity and livelihoods through



increased fertilizer use and the integration of grain legumes into local cropping patterns. We are also working with a consortium of partners led by Concern Universal to advance a US\$ 3.1 million value chain development project in Sofala and Manica provinces of the Beira Growth Corridor. The goal of this initiative is to raise the crop productivity and incomes of smallholder farmers by increasing their ability to effectively engage with input and output markets and service providers.

The expected outputs of the project include: training of an estimated 40,000 farmers in ISFM and improved agronomic practices; production of 1,500 MT of certified seed by the two seed companies involved; business training for about 100 small agro-dealers; and the dissemination of needed information about improved seeds and ISFM to farmers through radio, trained agro-dealers, demonstrations and farm field days. These outputs are expected to increase the availability and use of modern agricultural technologies and inputs by smallholder farmers, which will increase their productivity, food security, and incomes.

Tanzania

One of the major needs of farmers in Tanzania's Southern Highlands breadbasket area is for large quantities of high-yielding seed, which will enable them to dramatically increase their productivity and incomes. Our Seeds Program (PASS) has provided a grant to Kipato Seed Company to expand its production of certified seed and improve its distribution to farmers through local agro-dealers. Our Tanzania Country Team is further developing its integrated breadbasket initiative, and AGRA was very pleased to receive US\$ 3.26 million in funding from the Rockefeller Foundation to advance this work.

Building Africa's Seed Systems

In 2012, AGRA's Program for Africa's Seed Systems (PASS) completed the first year of its second 5-year phase. While grant making and monitoring of current and past grantees continued to dominate program activities, several interrelated challenges affecting the development of seed systems became more obvious. These include: assuring the supply of foundation seed (from which certified, farmer-ready seed is produced); creating better linkages between breeders and seed companies (which we refer to internally as "commercialization"); improving national seed policies; and strengthening management systems within seed companies.

Over the course of the year, the Program made 51 grants amounting to US\$ 16.56 million, including 17 breeding grants, one renewal grant for education of plant breeders (in Ghana), two for development of additional agrodealers (in Mali and Kenya), 19 grants to seed enterprises.

In addition to sponsoring several major conferences and workshops, we continued to support postgraduate training of plant scientists. In 2012, 6 PhD candidates received their degrees, as did 47 MSc candidates, bringing the respective cumulative totals to 42 PhD and 99 MSc graduates.

Significant achievements in 2012 included the release of 87 new varieties by PASS-supported breeders in 8 different countries. These varieties include original creations by national plant breeders, as well as cultivars produced through collaboration between international crop breeding programs and national breeders. Good examples of the former are the release of four Striga-tolerant cowpea varieties in Burkina Faso and

four virus-resistant cassava varieties in Tanzania. The release of five drought-tolerant maize hybrids in Ghana (developed by local breeders and CIMMYT) and a more productive rice variety in Mozambique (produced in partnership with IIRRI) are good examples of the latter. Since the program began in 2007, PASS-supported plant breeders have released 418 new varieties.

An overarching indicator of program progress is the annual production of certified seed by PASS-supported seed companies. Our target for 2012 was 55,000 metric tons by the 80 companies that have been supported by the program to date; we surpassed this amount by well over 2,000 MT, and since the program's inception, a cumulative

total of more than 141,000 MT of certified seed has been produced. And while maize continues to account for the bulk of certified seed production, it is gratifying to see the increasing diversity of certified seed being produced, and especially the growth in legume, sorghum, and millet seed.

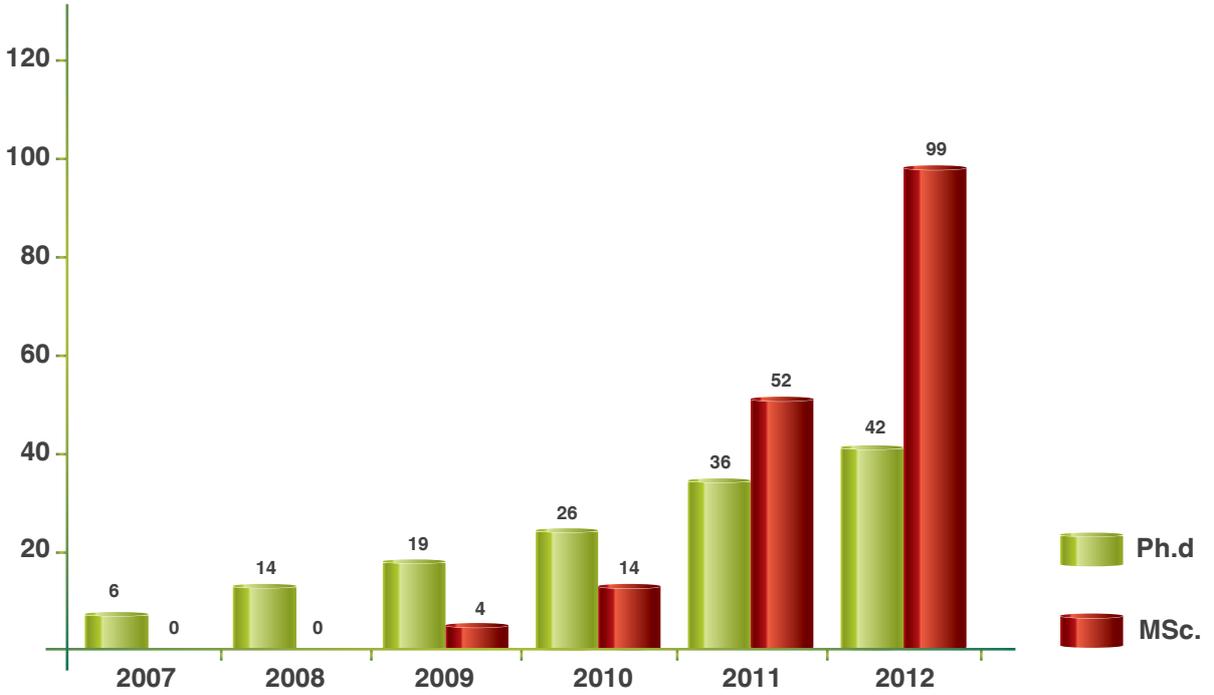
Smallholder farmers plant nearly all this seed, purchasing it (and other needed inputs) from local agrodealers. The training and certification of thousands of agrodealers is vital to sustaining improvements in seed supply systems over the longer term. Building and maintaining this network is a high priority for AGRA and its partners.

42

PhD Graduates in crop sciences

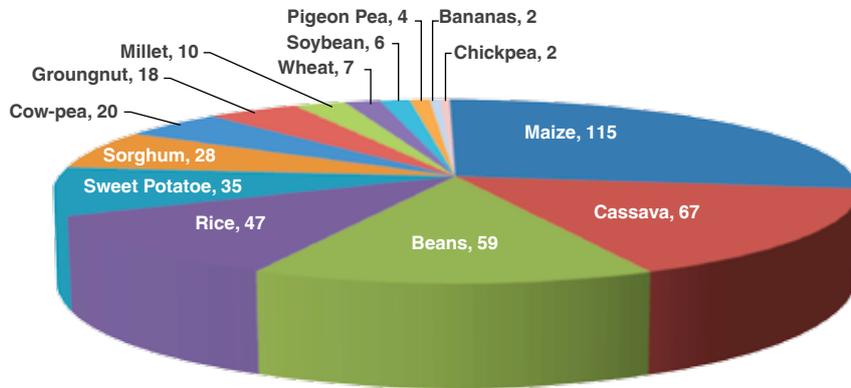
99

MSc Graduates in crop sciences



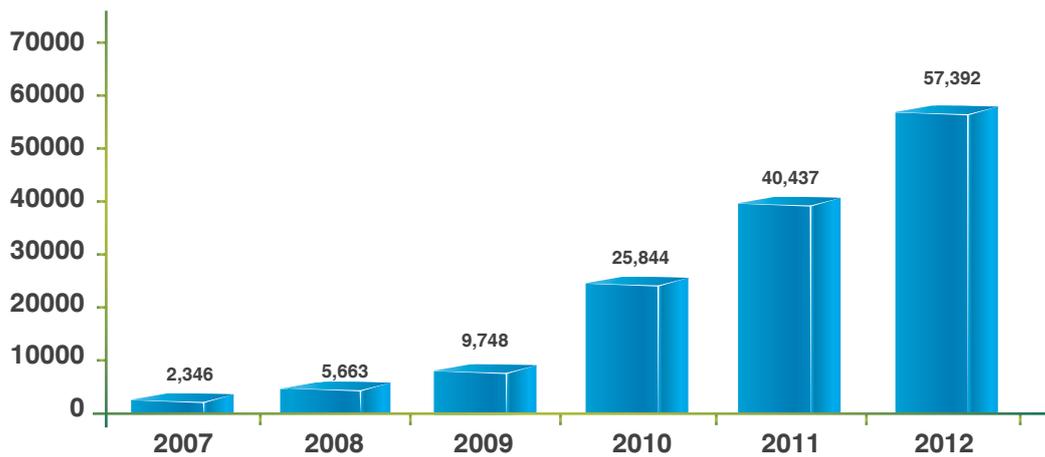
418

Varieties released, by crop

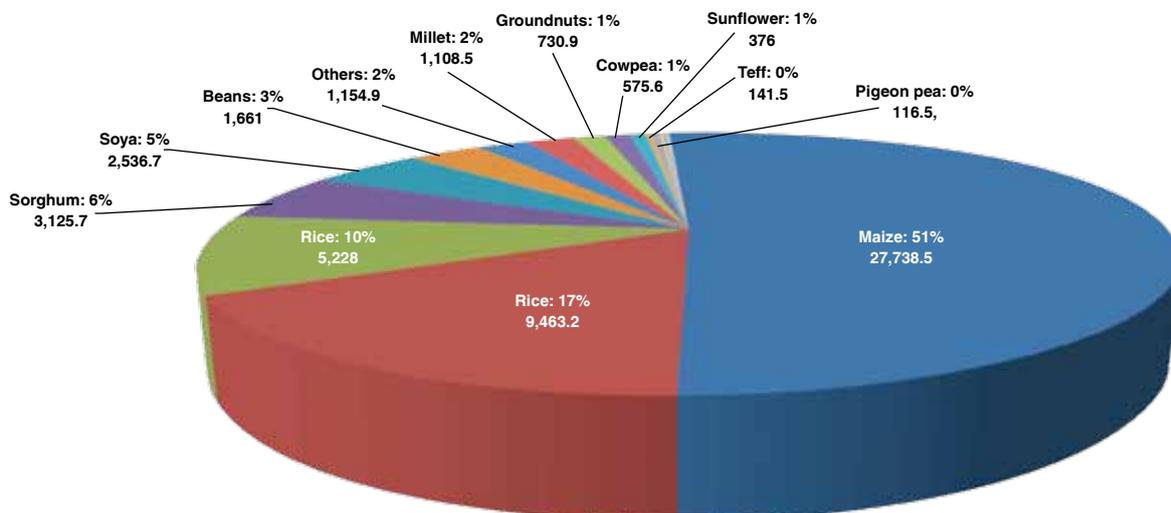


57,392

MT Certified seed produced

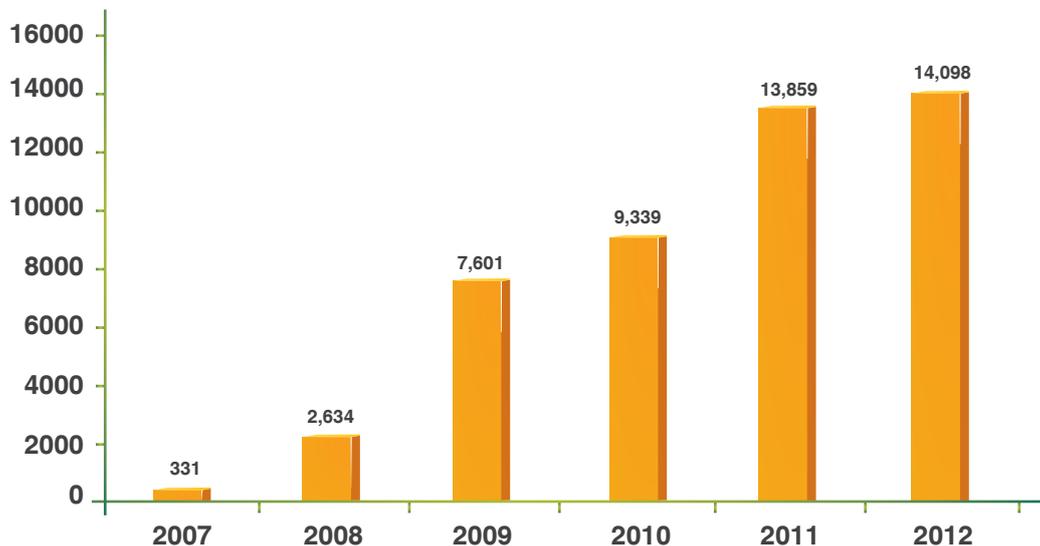


Certified seed production by PASS-supported seed companies in 2012 (by crop species)



14,098

Agro-dealers trained and certified



Overcoming Africa's Soil Health Crisis

In 2012, AGRA's Soil Health Program (SHP) made grants worth US\$ 41 million, surpassing its US\$ 37.7 million target for the year by about 9%. Three-quarters of these investments were made in six countries – Ethiopia, Ghana, Mali, Mozambique, Nigeria and Tanzania.

A total of 280,000 farmers benefited during the year from better access to the knowledge, appropriate fertilizers, and improved seeds needed to apply Integrated Soil Fertility Management (ISFM) practices, which can double crop yields. Since 2008, when the Soils Program was first launched and began promoting ISFM, over 900,000 farmers have adopted the new technologies.

ISFM technologies include such practices as the application of organic and/or inorganic fertilizers to crops, and rotating cereals with legumes. The area devoted to these different practices across 38 current projects is growing, and these practices produce varying results in terms of crop yields.

In 2012 alone, various ISFM technologies were used on 132,000 hectares of land. Since the inception of AGRA's Soils Program, some 600,000 hectares of land have come under ISFM projects. About 3,400 agrodealers are linked to these projects, and they sold a combined total of nearly 140,000 MT of fertilizers to the farmers involved. A major initiative of the program in 2012 was helping to establish the Africa Fertilizer Agribusiness Partnership (AFAP) by providing a 3-year, US\$ 25 million grant. AFAP is initially focused on three countries – Ghana, Mozambique and Tanzania – primarily addressing supply-side constraints. AFAP goals

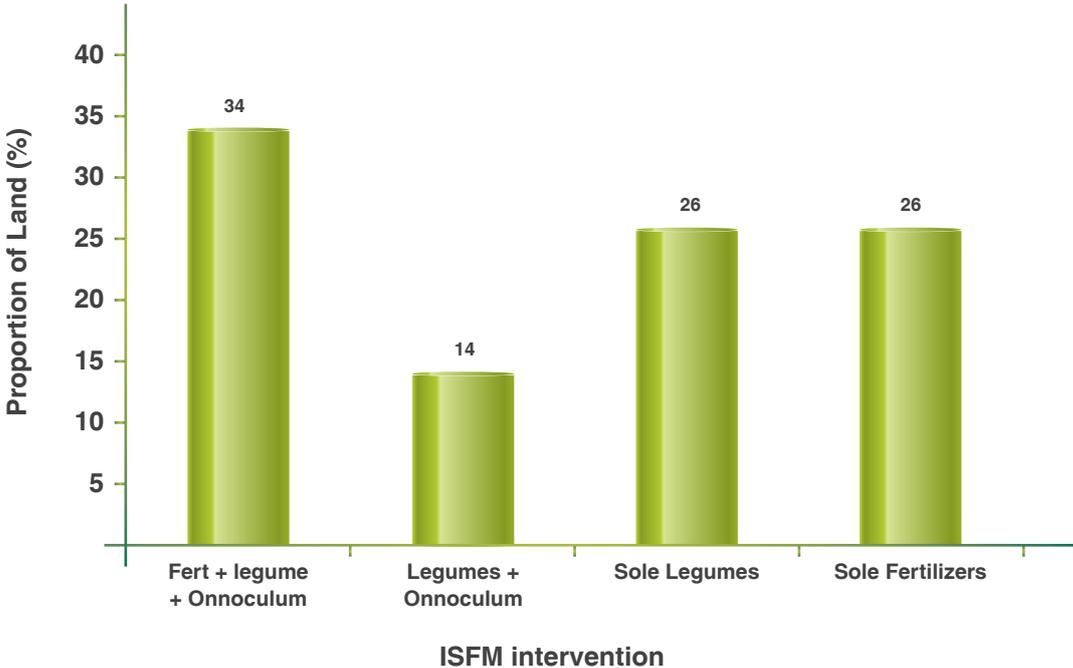
include working with governments to liberalize outdated public policies, significantly increase fertilizer supplies, and reduce farmgate prices by at least 15%.

In addition to providing support to postgraduate students at the PhD and MSc levels, we also fund the training of soil laboratory technicians. These investments are designed to strengthen the institutional and human capacity of selected agricultural research and training institutions in target countries. By the end of 2012, the program was supporting 40 PhD and 93 MSc students, and during the year 46 lab technicians received training with Program funding. Of these, 19 were drawn from the East and Southern African regions, while 27 came from the West African region. A third of the technicians we trained are women.

About 20% of the students who have finished course work are now doing their thesis research under the various ISFM projects we are funding, while some 53% are linked to projects managed by such SHP partners as N2Africa, TSBF-CIAT, ICRAF, and IFDC among others. Their research topics focus on five thematic areas:

- 1) the fertilizer supply and distribution chain;
- 2) fertilizer use efficiency;
- 3) nutrient and water use efficiency;
- 4) development of decision support tools; and
- 5) analysis of impact pathways. Attaching students to ongoing projects gives them a chance to work with top-notch scientists with immense field research experience. It also helps create and strengthen networks and partnerships involving AGRA, national programs, universities, and international agricultural research centers.

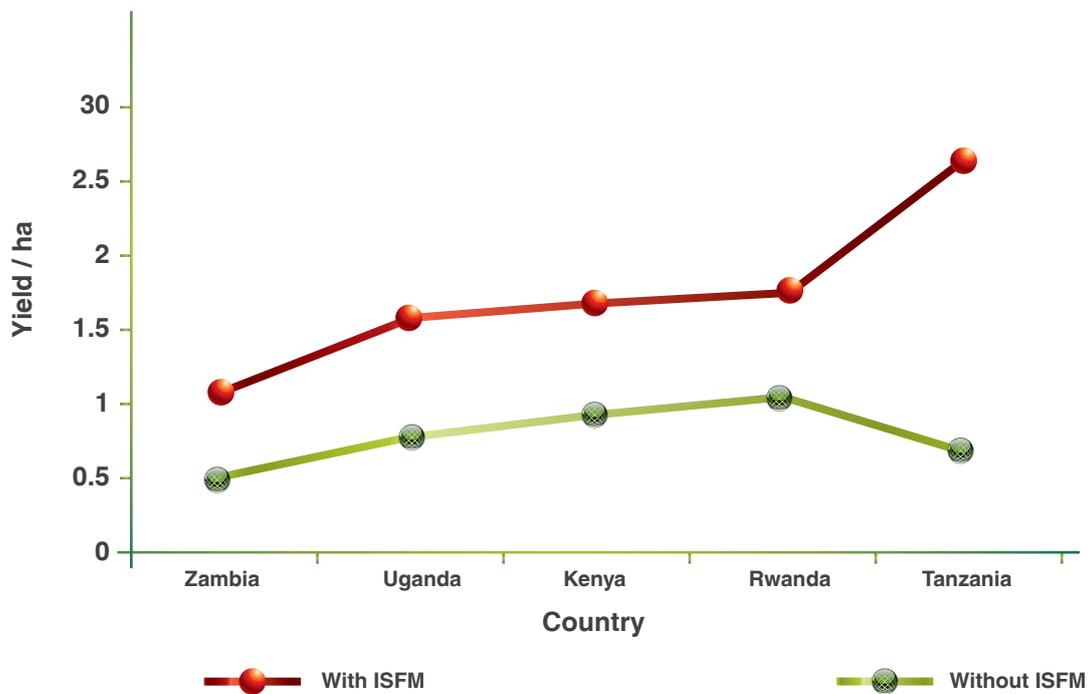
Proportion of area under ISFM interventions across 38 ISFM projects



Average Yield t/ha				
Crop	Treatments	Uganda S/West Isingiro (Grant ref No. 2009 SHP 012)	Kenya Central - Embu and Meru (Grant Ref No. 2009 SHP 022)	Rwanda Eastern Province - Kayonza, Gatsibo, and Kirehe (Grant Ref No. 2009 SHP 031)
Maize	Farmer practice	0.73	3.00	1.81
	Manure 5 t/ha	0.95	5.33	2.32
	Manure + Fertilizer	1.93	5.55	3.38
Soybean	Farmer practice	0.72	0.88	1.10
	Manure 5t/ha + Rhizobium	1.05	1.64	1.18
	Manure + fertilizer + Rhizobium	1.27	1.60	1.71

Yield performance of maize and soybean under different ISFM practices in three East African countries

Soybean yields in five African countries, with and without ISFM interventions



Business Driving Agricultural Development in Africa: New realism or wishful thinking?

In December 2012, the AGRA Board of Directors engaged with leaders from the Dutch private sector, NGOs, academia and the Ministries of Foreign Affairs and Economic Affairs in discussions focused on how the private sector – and more specifically public-private partnerships – can contribute to the advancement of Africa’s agricultural sector. These deliberations were organized around three “discussion statements”, which elicited constructive debate and general consensus on key issues and opportunities.

Discussion Statement 1: Partnerships between agribusiness and the public sector are the only way to effectively contribute to agricultural development in Africa.

Participants looked at what it takes to make partnerships work well, such as shared objectives, transparency, and mutual added value, and they concluded that business partnerships alone can go only so far towards promoting development. At some point the government needs to be involved. For public-private partnerships to succeed, however, corporate objectives must be brought into balance with public goals – a complicated matter requiring careful attention.

In the Netherlands, government institutions, businesses, and civil society (NGOs) are beginning to acknowledge the benefits of working together. Universities and other knowledge institutions are also coming into the picture. There is now an abundance of knowledge and institutional learning available, and Roundtable

participants agreed that initiatives already underway should be examined closely, capturing and sharing the lessons learned, and then identifying new initiatives that can be built on the existing ones.

Discussion Statement 2: Every private sector initiative that aims to develop African agriculture needs to benefit the African agribusiness community.

To produce the food it needs, Africa must increase its agricultural productivity by converting its subsistence-level farmers into small businesses that sell their surplus production. Many aspects of African agribusiness can and should be improved, including seed and fertilizer supply systems, sustainable soil and water management, better food storage, and improved access to finance and markets.

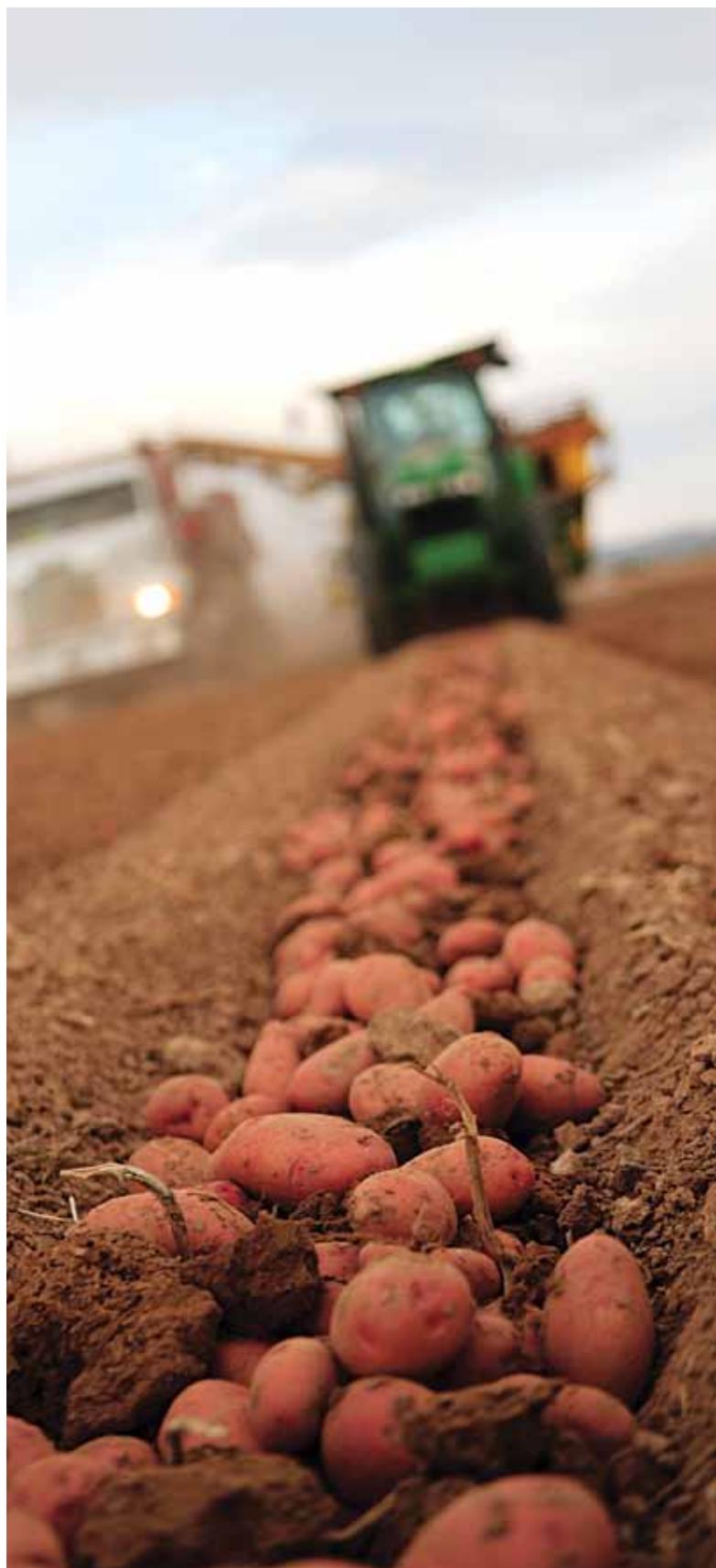
Seed systems are of fundamental importance, and supportive government policies need to be put in place. The seed industry needs laws that offer protection to breeders who have developed new crop varieties, so as to stimulate innovation and further varietal improvement.

Public-private partnerships can help scale up investments in the capacity of smallholder farmers to produce high quality seed for their most important crops. Indigenous African crops should not be overlooked, as they are a vital part of African diets; generating improved varieties and strengthening the systems by which better seed is distributed will have far-reaching impacts.

Discussion Statement 3: There are better ways than grants to promote private sector development. Grants, subsidies and credit are the traditional forms of support for agricultural development. But now a broader mix of financial instruments is needed, coupled with enlightened policies and business environment in which the private sector can operate.

Impact investment and patient capital are new financing mechanisms that can combine development with financial objectives. Projects could include combinations of equity investments, loans, and grants. This kind of finance requires a longer-term perspective, however, and must be driven both by financial as well as social returns. Still, the traditional forms of financial support remain important, especially for expensive infrastructure development projects (such as roads, rail and port facilities) needed to create an environment that will help grow the private agribusiness sector. A stable policy environment is crucial for encouraging private sector investment. But we need a balance between encouraging the private sector and having effective mechanisms to promote overall economic development. For example, public funds should be invested in appropriate legislation and support systems that help farmer cooperatives to flourish.

Finally, the Roundtable participants agreed that things are changing in Africa. Decision makers increasingly recognize that private companies should be key players in improving Africa's agricultural sector. Strong, dynamic, and well-coordinated public-private partnerships will help ensure the transformation of African agriculture, and rather than facing food deficits, Africa will be contributing to global food security.





Opening Markets to Smallholder Farmers

AGRA's Market Access Program (MKTS) now has grants in 12 countries – Tanzania, Mozambique, Mali, Ghana, Niger, Burkina Faso, Nigeria, Kenya, Uganda, Rwanda, Malawi, and Zambia. The Program's work is focused on reducing post-harvest losses, strengthening farmer organizations, aggregation of produce for collective marketing, increasing access to finance, strengthening structured trading systems such as inventory credit warehouse receipt systems and linking smallholder farmers to buyers.

In 2012, we made 17 grants worth US\$ 7.7 million, bringing the total amount committed since 2008 to US\$ 38.7 million (spread across 56 grants). Some of our key achievements include: the rehabilitation of 231 aggregation centers (which have also been equipped with postharvest processing equipment); training of 585,971

smallholder farmers on improved marketing systems; the aggregation and sale of 562,000 MT of produce valued at about US\$ 151 million, reflecting prices that were 10-35% higher than the farmgate.

Post-harvest handling

Grains are the most important food staples in sub-Saharan Africa. Unfortunately, the high levels of post-harvest losses incurred due to poor harvesting and handling methods, high moisture levels on the back of poor drying techniques, inadequate storage or lack of it, and pest infestations have reduced the incomes of smallholder farmers. For this reason, the Markets Program has invested in training smallholder farmers in post-harvest handling and quality management. Training on good commodity care management has led to smallholders being able to sell their produce to quality conscious

buyers who offer premium prices. For example, partnership with WFP/P4P in Tanzania and Burkina Faso, where farmers are trained in quality management, has resulted in smallholder farmers delivering 390 MT of produce worth about US\$ 164,000. Farmers in Tanzania gained 73% over farmgate prices by selling to WFP/P4P.

Warehouse receipt systems

The Program has continued to make inroads with implementing warehouse receipt systems. In Kenya, four warehouses certified by the Eastern Africa Grain Council (EAGC) are fully operational and authorized to issue receipts for maize, beans and wheat. In Kenya, 840 farmers have deposited 6,556 MT of maize, wheat and pulses in four certified warehouses in Nakuru, Eldoret and Makueni, valued at nearly US\$ 2.8 million. Eight hundred farmers received loans totaling US\$ 280,000 on the strength of their warehouse receipts and goods received notes in Eldoret and Makueni. The value of these commodities rose by more than 40% by the time they were

sold 3-4 months after harvest. In the Southern Highlands and Dodoma of Tanzania, over 7,600 farmers are using warehouse receipt stores and contracts, and have so far stored almost 4,000 MT. The program has also recently begun working with the Tanzania Warehouse Licensing Board to increase the Board's inspection efficiency and certification capacity. In Ghana, the program is working with the Ghana Grains Council to develop warehouse receipt systems in the country, with greater focus on the Northern breadbasket region.

Business development services

Small and medium-sized enterprises (SMEs) continue to provide reliable markets for smallholder farmers' produce. The Markets program provided business development services to SMEs in Uganda, Mozambique, Tanzania and Mali. The enterprises receiving these services were able to access credit from banks and expand their markets. So far, 56 SMEs in Uganda, Tanzania and Mozambique



have accessed credit worth US\$ 19 million, which enabled them to expand their businesses and purchase produce from smallholders. About 198,000 farmers sold 194,000 MT of produce, gaining 20-25% over farmgate prices.

Market information

Information and communications technologies (ICTs) are playing an important role in value chain management, and the Markets Program is focusing on sustainable models and platforms. For example, the mobile-based mFarm platform developed in Ghana collected data from 42,263 farmers, 148 warehouses, 85 agents and 38 aggregators. These groups have been profiled and geo-referenced, providing a seamless platform for value chain actors to interact and network. The use of this new mobile-based platform has proved that the cost profiling and updating of intentions of farmers can be cut in half. On the ground, managers of the organizations are able to monitor the presence of their staff members by checking regularly on the

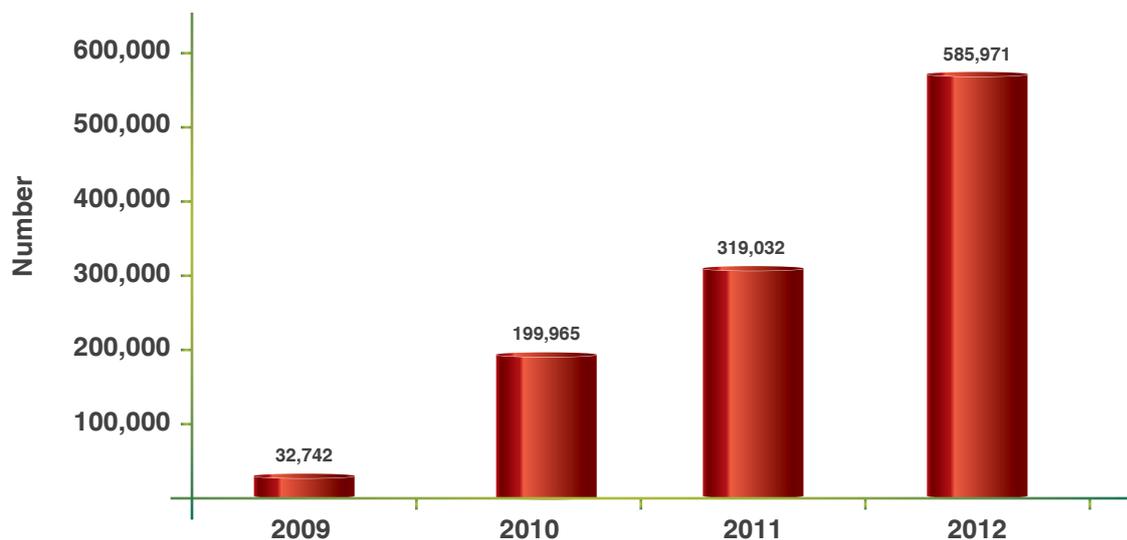
number of farmers profiled and their geographic locations. "We usually spend three months registering these farmers, at a high cost, but with the introduction of the mFarm platform, our staff spends only a month to carry out this particular activity," said Naresh Shukla, Managing Director of Durga Agric. Ltd. He continued: "it has also reduced the paper work load and there is no cost associated with data entry".

Even though it is still at an early stage, the mFarm platform is attracting interest across the continent from development partners and private companies. The platform has been customized for the collection of Input prices and dissemination of market information in 17 African countries. In Rwanda, ENAS, one of the fertilizer distribution companies is using mFarm to monitor supplies, sales, stocks and forecasts its network of 86 agrodealers in the Eastern Province. In Kenya, the private fertilizer distribution company, MEA, is using mFarm to manage its communication and distribution network.



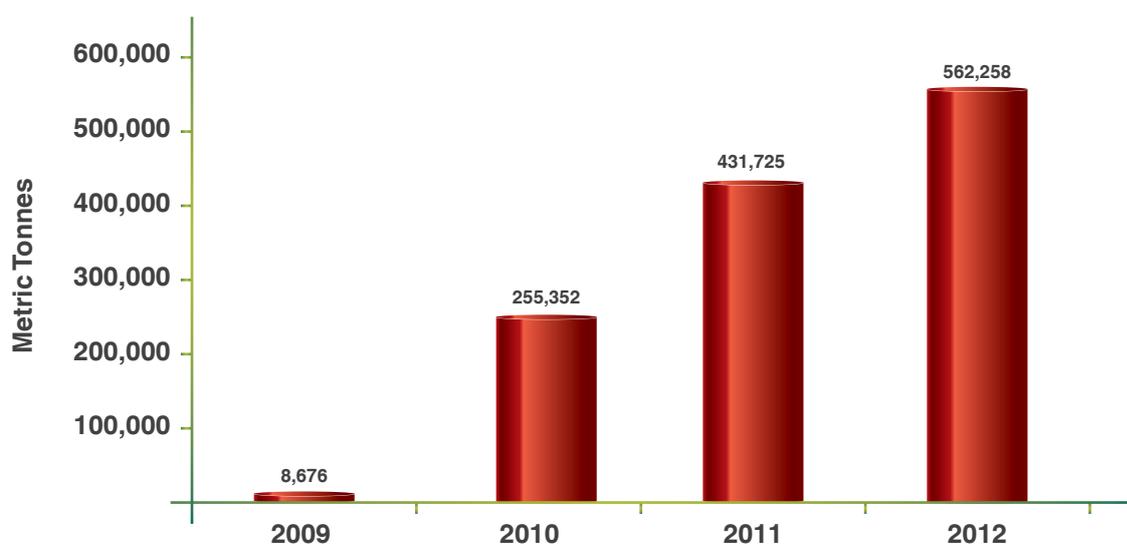
585,971

Total number of farmers trained in post-harvest handling, quality management and market linkages



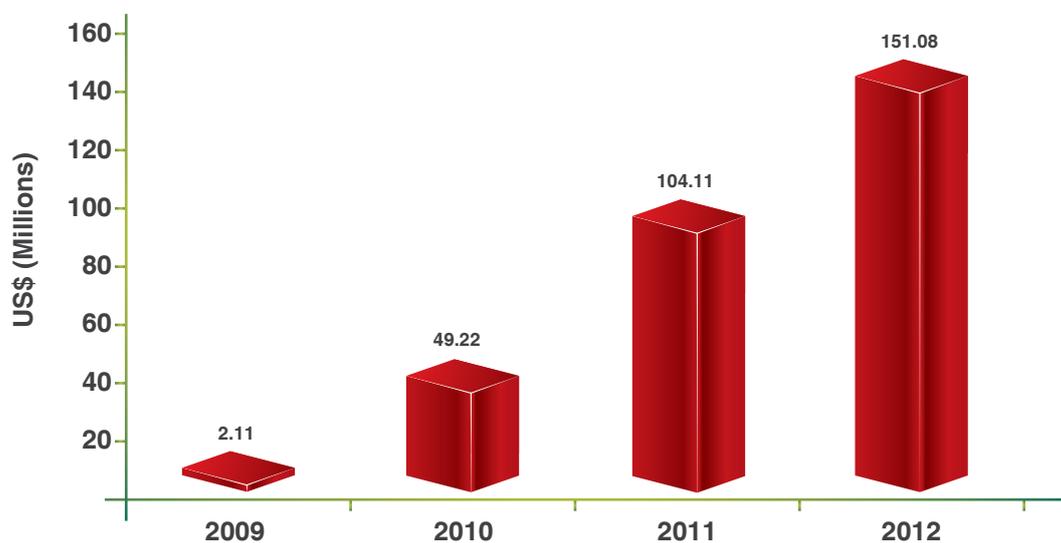
562,258

MT Total cumulative volume of commodities sold by farmers



\$151.08 Million

Total cumulative value of commodities sold by farmers



Prompting Better Agricultural Policies

To improve the formulation and implementation of policy reforms through evidence-based policy research and advocacy, AGRA has launched 19 Policy Action Nodes in Ghana, Mali, Mozambique and Tanzania. The Nodes bring together representatives from government ministries of agriculture and trade, local policy research and education institutions, private sector companies, farmer organizations, NGOs, and civil society organizations to jointly identify key policy constraints affecting agrifood system performance, specific policy bottlenecks to overcome, and targeted investments in policy analysis, policy advocacy, policy design, and policy implementation to overcome the bottlenecks. In Ghana and Mozambique, Policy Action Hubs comprising three or more Nodes were also launched.

Highlights for 2012 from AGRA's Policy Program include the development of new seed law in Ghana. The Ghana Seed Policy Action Node (GSPAN) facilitated the development of regulations to guide the implementation of the country's seed law contained in Part II of the 2010 Plants and Fertilizer Act 803. Consulting experts developed proposed new regulations, which were then validated by stakeholders, approved by the Minister for Food and Agriculture, ratified by the Attorney General's department, and will be read in parliament for approval.

The Ghana Soil Health Policy Action Node (GSHPAN) was also active. It supported the development of a policy strategy to promote the use of ISFM technologies in the country. A team



of experts led by IFDC developed a National Fertilizer Policy Strategy document, which was validated by stakeholders in a workshop held in October 2012 and has since been revised and presented to the Minister for Food and Agriculture for approval and adoption.

GSHPAN also facilitated the development of regulations to guide the implementation of the fertilizer law contained in Part III of the 2010 Plants and Fertilizer Act 803. The regulations – designed to guide the manufacturing, distribution, packaging, labeling, transportation, storage and warehousing of fertilizers – were validated by stakeholders, approved by the Minister for Food and Agriculture, ratified by the Attorney General's department, and approved by parliament in November 2012 (regulation no. LI 2191). GSHPAN also worked with the government to improve implementation of Ghana's fertilizer subsidy program.

Early in 2011, as the effects of drought and conflict in the Horn of Africa took hold and a food shortage began to loom in eastern Africa, Tanzania – due largely to a strong harvest in

its productive Southern Highlands – emerged as one of the few countries in the region with an exportable surplus of badly needed maize. Aiming to stabilize domestic prices, the government of Tanzania imposed a ban on maize exports. In 2011, the AGRA-supported Tanzania Markets Policy Action Node commissioned a special study that revealed significant negative impacts of the ban on the incomes of farmers and traders, facilitated consultations with members of the Parliamentary Committee on Agriculture, and organized a public-private dialogue on the issue involving farmers, traders, researchers, institutions, development partners as well as government officials. The ban was lifted in September 2012, with the findings of the special study cited as having been decisive in the decision.

In 2012, the Policy Program also launched postgraduate training programs in the University of Ouagadougou, Burkina Faso, and at the University of Ghana, Legon. The programs are designed to train 120 MSc and 20 PhD students, respectively, in applied agricultural economics and policy over a period of five years.

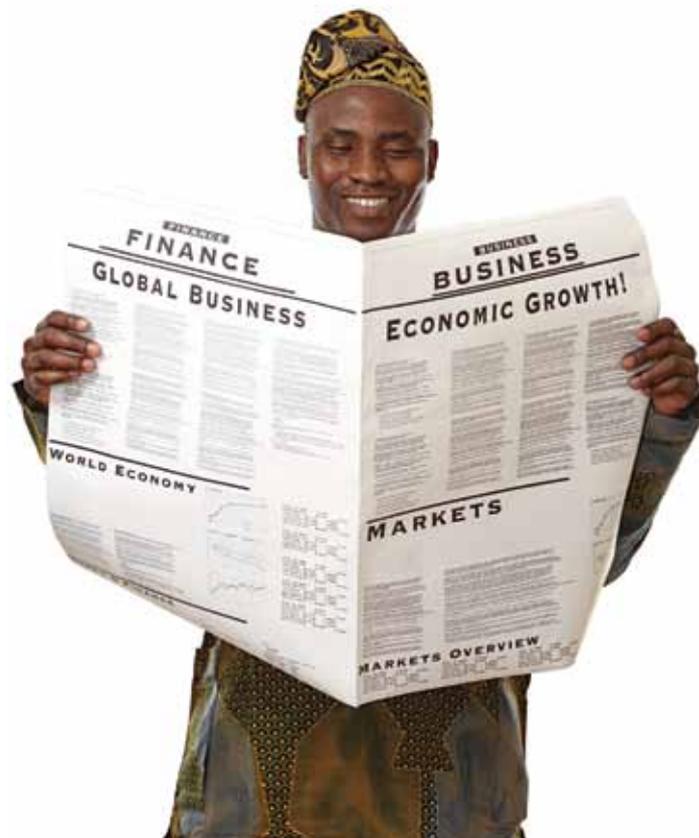
Encouraging Affordable Credit for Agriculture

In 2008, AGRA launched an Agrifinance Initiative, and over the intervening years the organization and its partners have used US\$ 17 million in risk-sharing funds to leverage about US\$ 160 million from commercial banks in Kenya, Tanzania, Uganda, Mozambique and Ghana – all directed towards smallholder farmers and the small- to medium-sized agribusinesses that serve them.

AGRA and the Financial Sector Deepening Trust (FSDT) provided a total of US\$ 2.1 Million to National Microfinance Bank (NMB) in order to leverage about \$10 million in financing for agrodealers in over 35 districts in Tanzania. The NMB loans directly benefitted some 1,055 agrodealers, as well as about 844,000 smallholder farmers who access input credit through these dealerships.

NMB charged a risk-adjusted interest rate, which meant that the usual loan interest rate of 28% dropped to 15%. In addition, the demand for collateral by the bank (and also by the agrodealers) was considerably reduced.

Back in 2008, AGRA and IFAD used US\$ 5 million to create a risk-sharing fund with Equity Bank of Kenya, which leveraged US\$ 50 million from the bank of Kenya, most of which (60%) was channeled to smallholder farmers. By September 2012, more than 46,000 farmers had directly obtained credit financing through Equity bank and over 380,000 smallholder farmers benefitted through their transactions with agrodealers or other small-scale agribusinesses. The bank lowered its interest rates from 20% to

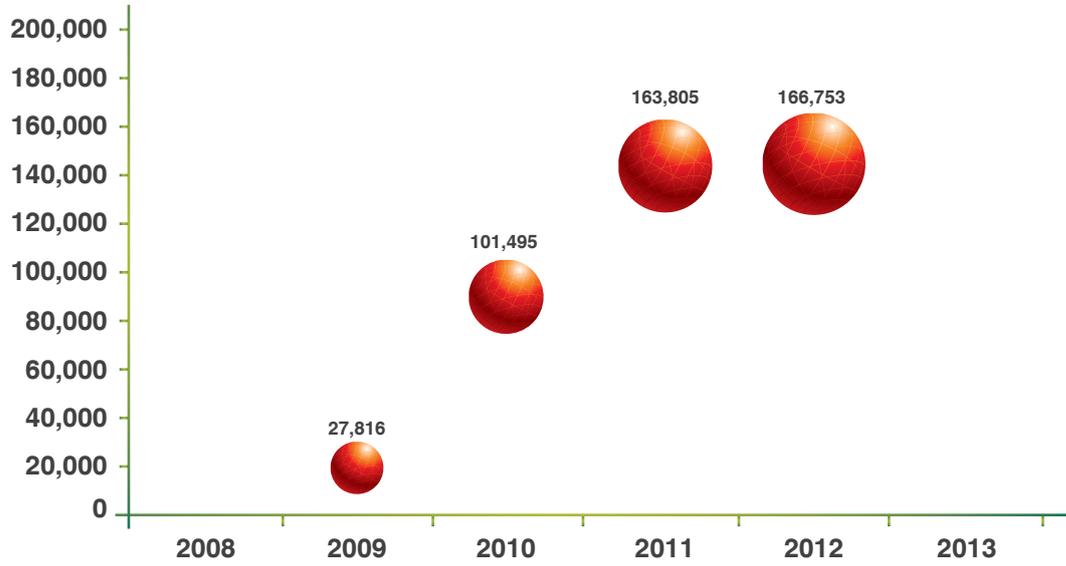


10% for smallholder farmers, and from 25% to 15% for agribusinesses involved in the program. The program closed in September 2012, with no claims by the bank against the risk-sharing funds.

The Millennium Development Authority in Ghana, Kilimo Trust in Uganda and Tanzania, MCA in Mozambique, and AGRA pooled US\$ 10 million in risk sharing funds that is now leveraging US\$ 100 million in financing from Standard Bank, Africa's largest commercial banking operation. The goal is to provide more affordable credit to up to 750,000 farmers in Tanzania, Ghana, Uganda and Mozambique. Standard Bank is providing risk-adjusted loans to the agricultural sector at interest rates of base plus 3% to smallholder farmers, and up to base plus 5% to agribusinesses. So far, the bank has lent about US\$ 23 Million, benefitting about 120,000 farmers.

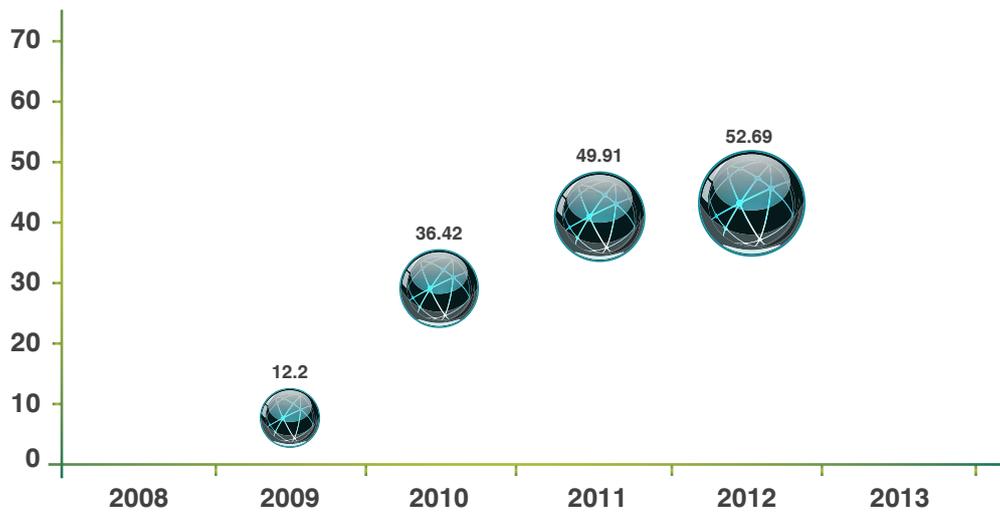
166,753

Farmers accessing credit from banks

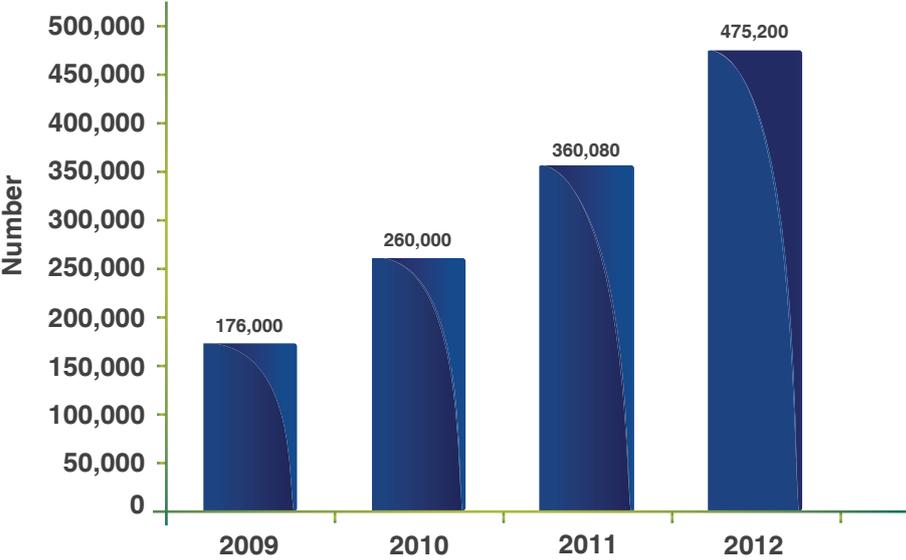


\$52.69 million

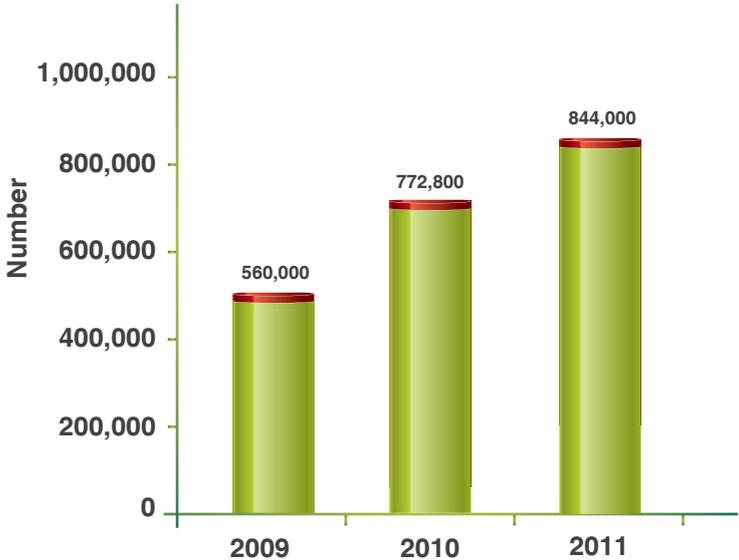
Amount of loans accessed by farmers from banks



Farmers accessing input credit through SMEs and agrodealers in Kenya, 2009-2012



Farmers accessing credit through SMEs and agrodealers in Tanzania, 2009-2011





Strengthening Farmer Organizations

The overall objective AGRA's Farmer Organization Support Center for Africa (FOSCA) is straightforward: to improve smallholder access to high-quality, demand-driven and income-enhancing services through stronger farmer organizations. In pursuing this goal, FOSCA works with farmer organizations to improve their ability to respond to the needs of their members. We improve the supply and quality of services available to these organizations and link them with relevant and effective service providers. We are also building a knowledge base to improve services to farmer organizations and inform policy discussions.

We conducted two profiling activities in 2012. The first was an assessment of farmer organizations and AGRA partners in four countries – Malawi, Mozambique, Rwanda and Tanzania – which was conducted by Capacity Development Consultants (CADECO), based in Malawi. CADECO's

assessment tool focuses on institutional capabilities based on the "5Cs model", which measures: 1) the capability to commit and engage with service providers and farmer organizations (and members); 2) the capability to deliver results (outputs, outcomes and impacts) based on organizational objectives; 3) the capability to work with and achieve synergies with external stakeholders; 4) the capability to adapt and self-renew; and 5) the capability to balance diversity and coherence.

A second profiling was done in Ghana and Nigeria, in collaboration with African Investment Climate Research (AFRICRES). Their assessment focused on four key indicators: delivery capacity, mode of outreach, management systems, and managerial quality. The results from these two scoping studies will support our grant decision-making in 2013.



To facilitate important linkages, we disbursed 10 grants in 2012, worth a total of US\$ 1.7 million; 9 of these grants were co-funded with other AGRA programs because our work cuts across nearly all of the organization's operations. By enhancing the capacity of farmer organizations, we set the stage for them to access credit and markets, and help them achieve economies of scale for bulk purchasing of inputs. Within the first 12 months after approving these grants, 451 farmer organizations had been mobilized, and about US\$ 6.7 million worth of produce (maize and beans) has been sold through participating organizations. In addition, loans amounting to nearly US\$ 110,000 have been advanced to farmers. These numbers are expected to increase as the FOSCA-funded projects reach full implementation in their second and the third years. These are good indicators of increasing access to markets and finance respectively, which will eventually translate to increased smallholder incomes.

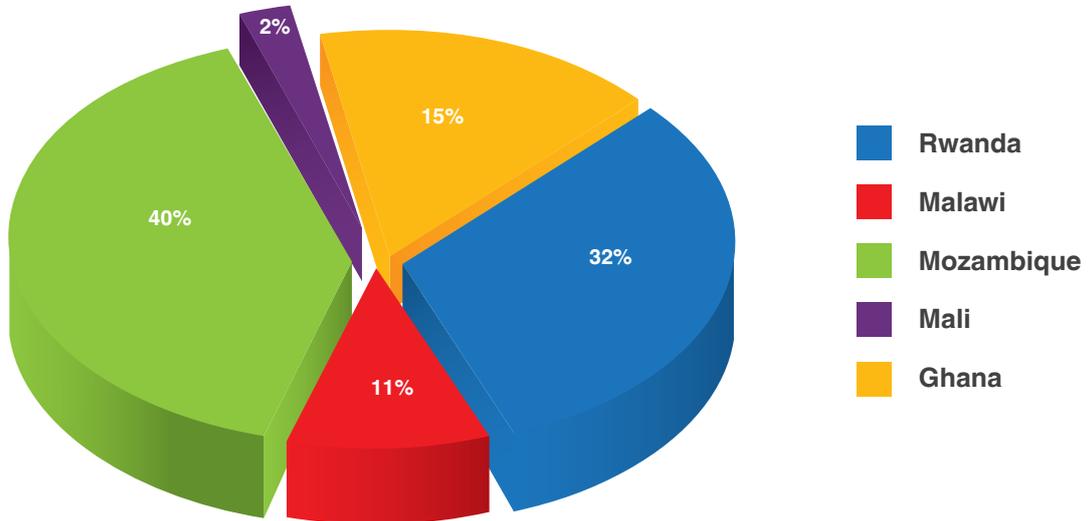
During the year we convened four Knowledge Sharing and Learning Forums involving a total

of 282 representatives of farmer organizations, service providers, development agencies, and private sector agribusinesses. By exchanging ideas, sharing experiences, and discussing best practices, success stories and challenges, individuals and organizations from across the agricultural development landscape gain important knowledge on various issues that impact their lives and livelihoods. The lessons learned and best practices generated in these forums are then incorporated into the training and capacity building of farmer organizations and their partners.

Early results include emerging business models that can be scaled up or replicated elsewhere, and the development of links between farmer organizations and their members to existing service providers. For example, after participating in the AGRF 2012 side event and the Farmers' Forum in 2012, Equity Bank has decided to support the farmer organizations that FOSCA is working with in Rwanda and Kenya (interactions with RDO and RWARII have already begun).

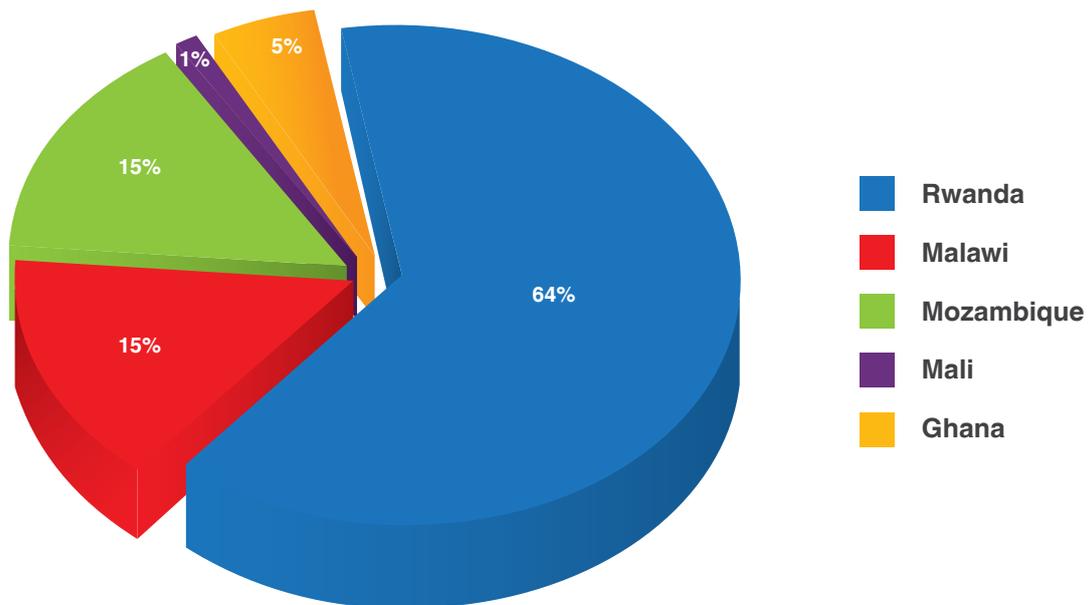
451

Number of farmer organizations (in 5 countries) that have been mobilized, by end of 2012



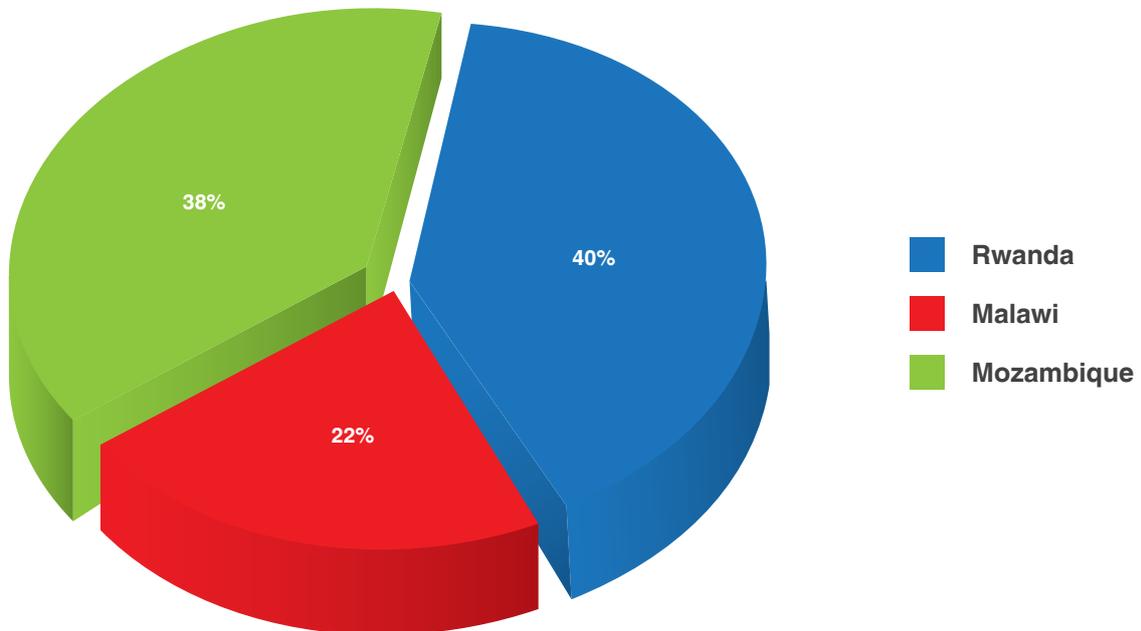
46,022

Farmers that have been reached by working with these organizations, by end of 2012



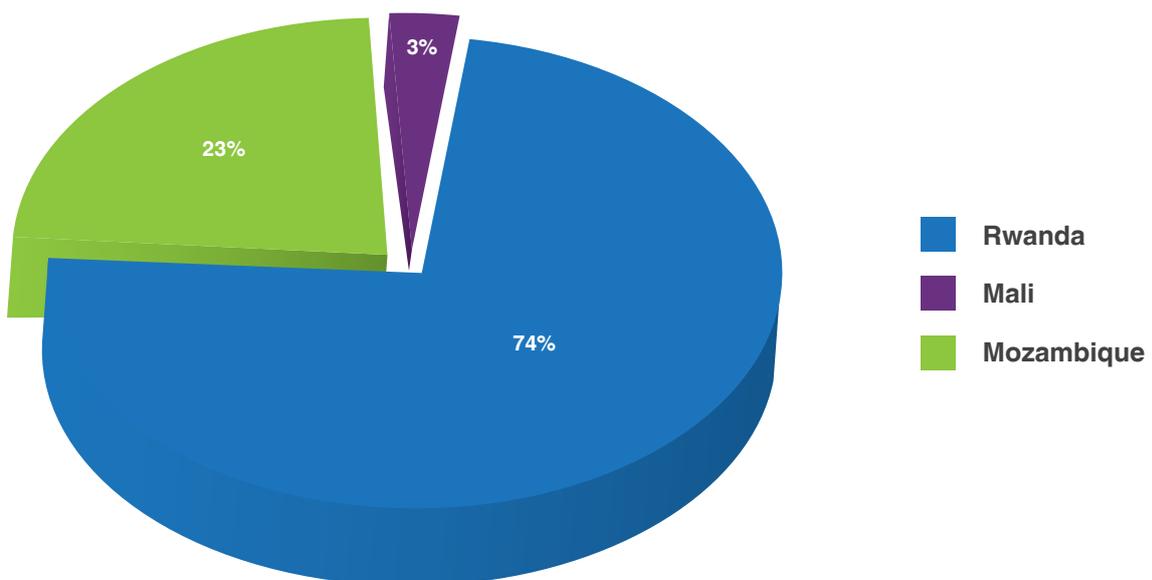
544

Leaders of farmers' organizations that have been trained in group dynamics and management, by end of 2012



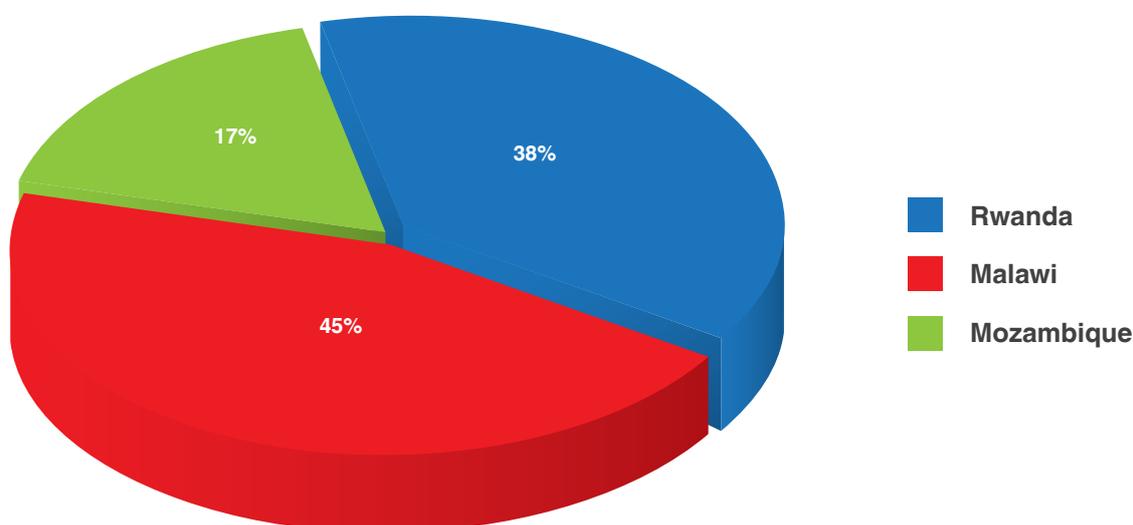
350

Leaders of farmers' organization that have been trained in business planning and management, by end of 2012



14,932

Farmers that have received training in governance and group management, by end of 2012



Mobilizing Innovative Private Sector Investments in Agriculture

The African Enterprise Challenge Fund (AECF) was established in mid-2008 as one of AGRA's special partnerships to promote private sector investments aimed at transforming Africa's rural areas. To this end, the AECF focuses on three sectors that matter most to the rural poor; agribusiness, financial services and access to energy/adaptation to climate change. The Executive Manager, who is hosted by AGRA, leads the Fund. Operational management is in the hands of a Fund Manager (KPMG Development Advisory Services). By the end of 2012, the Fund has grown to more than US\$ 200 million in available assets via a number of specialized investment windows:

- A pan-African general fund and agribusiness window (AAW);
- A pan-African Research into Business Window, stimulating businesses to bring agricultural research products to the market (RIB);
- Zimbabwe window (ZW);

- Tanzania agribusiness window (TZAW);
- South Sudan window (SSW);
- Renewable Energy and Adaptation to Climate Change (REACT), for East-Africa and Mozambique; and
- A post-conflict window, encompassing Sierra Leone and Liberia

AECF provides grants and interest free loans (covering up to half of any specific investment) on a competitive basis to businesses that wish to implement innovative, commercially viable, high-impact projects in Africa. The idea is to leverage private sector investments by lowering risks and enhancing the viability of the business. The funds are provided by a number of donors, including the UK Department for International Development (DFID), the Swedish Agency for International Development (SIDA), the Australian Agency for International Development (AusAID), the Dutch Ministry of Foreign Affairs (NMFA), the

Danish Government, and the International Fund for Agricultural Development (IFAD).

We have completed 14 competitions, of which 7 took place in 2012. Over 5,500 eligible proposals have been received by the Fund, and some 180 projects have been approved in 23 African countries. The financial leverage being achieved with the private sector currently stands at about 3 times the AECF contribution, but over time will most likely end up being about 1.5 times the AECF investment. This is because business optimism will likely be tempered by the harsh business conditions that still prevail in many parts of Africa. Still, this means that the US\$ 200 million invested by AECF will be matched by another US\$ 300 million from the private sector. This will give the Fund significant impact and scale over the next few years.

AECF-supported projects are very diverse, ranging from experimental bio-pesticides, via dairy and livestock projects, to innovative financial services such as weather index insurance for smallholders. Many AECF projects are supportive of AGRA's mission, investing in the production and distribution of seed and fertilizer, improved market access for smallholders, the transfer of technical know-how, and improvements in rural infrastructure. In order to assist businesses further, in 2012 we acquired funds to provide technical assistance to indigenous- and women-owned and managed African companies, as well as to link AECF-supported businesses to commercial capital via an investment unit established within the Fund Manager's team.

During the year, about 4 million rural poor benefitted from AECF investments, with incomes increasing by about US\$ 300 per household.



AECF is thus well on the way to becoming one of the most prominent development finance mechanisms for African-based small to medium-size agribusinesses.

Cultivating Development of African Rice Production

In 2012, rice production in Africa remained high, despite a slight decrease due to unfavorable weather. The Coalition for African Rice Development (CARD), another special partnership with AGRA, made progress in the following areas, all of which contributed to African rice sector development in 2012.

Under the CARD initiative, member states have been working to develop and begin implementing National Rice Development Strategies (NRDS). In 2012, NRDSs were developed and authorized by the governments of Liberia and the Central African Republic, and nine other countries finalized development of project concept notes



through prioritization exercises facilitated by CARD. Implementation of NRDS began (in the form of operationalization of project concept notes) in Cameroon, Uganda, Madagascar, and Senegal, with the assistance of CARD in mobilizing needed funding.

We organized three videoconference seminars aimed at seed multiplication and distribution, rice quality improvement, and strengthening water users associations. These capacity development opportunities were made available to public and private sector representatives, with a total of over 120 individuals in eight African countries participating. The seminars were done in collaboration with south-south partners, including Thailand, the Philippines and Viet Nam.

In May 2012, pilot efforts to create an enabling environment for private sector investment in mechanization began in six countries. By facilitating dialogue between private and public

sector participants, as well as coordinating technical contributions from such research institutions as Africa Rice, IRRI and FARA, we supported pilot countries in developing country-specific mechanization strategies, with an emphasis on public/private partnerships and creating a more favorable business environment. A mechanization strategy was approved by the end of the year in Madagascar, and other countries will soon be following.

CARD and NEPAD organized a side event at the CAADP Partnership Platform held in May 2012 in Kenya, and shared information about what CARD is and does with a wider audience, including regional institutions, development partners, and public officials from a number of African countries. Our contributions to moving African agriculture forward were acknowledged internationally and highly appreciated, as explicitly expressed in the official minutes of the event.



Casting a Wider Net in Resource Mobilization

AGRA's engagement with a wide range of donors and partners is fundamental to our success. We continue to engage extensively with a diverse set of donors and partners across the globe. At the same time, we continue to enjoy financial and leadership support from our founding donors – the Bill & Melinda Gates Foundation and The Rockefeller Foundation. This enduring support demonstrates these donors' commitment to food and nutritional security, poverty eradication, and an appreciation of AGRA as a thought leader with respect to these challenges.

We were delighted to receive a grant of US\$ 6 million from the Swedish Government in 2012, bringing the total funding from Sweden to US\$ 18 million over 3 years and making Sweden our third largest donor. We also welcomed a grant of

US\$ 9 million from USAID for Kenya, Malawi and Zambia, with a goal of promoting inclusive growth in agriculture in order to achieve sustainable reductions in poverty and hunger in the three countries. This funding will help to deepen and expand investments in smallholder agriculture across in East and Southern Africa.

AGRA's role as a convener and knowledge manager was recognized at the May 2012 Camp David G-8 Summit during the launch of the New Alliance for Food Security and Nutrition. At this Summit, AGRA was given the role of overseeing and housing the "Scaling Seeds and Other Technologies Partnership Platform". The goal of the Platform is to strengthen the seed sector and promote the commercialization, distribution and adoption of improved seed varieties and other technologies. We are working closely with the G-8 countries on this important initiative to ensure it is brought to fruition.

In 2012, we held deep discussions with the government of Norway for US\$ 13 million in funding for a Climate Smart Agriculture project in Tanzania. Norway provided funding that enables us to consult widely with key stakeholders and to resubmit a more refined and comprehensive project proposal. We hope to wrap up these consultations and begin project planning and implementation by mid-2013.

In an effort to promote South-South learning and exchange, we are pleased to now be working with the Republic of Korea's Rural Development Administration (RDA) in the development of high-yielding rice for Africa by strengthening African rice breeding capacity with another culture technology. This project will be implemented in multiple countries in Africa.

Finally, in 2012 our Board of Directors' approved an MOU with the Chinese Academy of Agricultural Sciences (CAAS). This agreement facilitates development of another critical South-South learning and exchange opportunity that will allow AGRA to enter into a strategic partnership with a world-class international agricultural institution – one with diverse expertise in agricultural development in both China and Africa in the areas of seed technology, soil health, water management, and extension. In 2013, the details of this partnership will be fleshed out, with implementation to follow soon after.

Giving Attention to Gender

The Gender Unit had a strong record of achievement in 2012, exceeding its goals for capacity building and strengthening the gender dimensions in AGRA's work and culture.

In March 2012, we conducted a gender workshop in Tamale, Ghana, for AGRA grantees and Program Officers in West Africa with participants coming from Burkina Faso, Liberia, Mali, Niger, and Sierra Leone. Those involved indicated that the workshop was effective in raising gender awareness and building the skills needed to address gender issues in their agricultural development projects.

In line with our focus on the value of gender learning for sustainable innovation, we launched a seminar series in 2012. The first seminar presented the results of a social assessment of a women's agribusiness network in East and Southern Africa called "Women in Agribusiness in Sub-Saharan Africa Alliance" (WASAA). Recognizing the need for capacity building for women in agribusiness, we commissioned a needs assessment and situation analysis of the organization. The goal was to develop a clear understanding of WASAA's current capabilities and to propose targeted capacity building interventions.

A second seminar was organized as part of the celebration of International Women's Day 2012. The seminar was delivered by the Deputy Director of the Kenya Agricultural Research institute, Dr. Lusike Wasilwa, and focused on "The Role of Horticultural Crops in Africa's Green Revolution: Food Security and Health Implications for African Households".

The central roles of women across agricultural value chains make the removal of gender barriers an important crosscutting priority for all AGRA programs. In 2012, we worked with the programs to develop grants that included gender empowerment and strategies for addressing

gender dimensions in grantees' projects. Funding from SIDA for the Sahel region facilitated the development of an integrated grant involving FOSCA and the Markets Program for work in Burkina Faso and Niger. The Markets Program and the Gender Unit also co-funded a WASAA project in Malawi and Zambia, which is focused on building critical leadership, organizational and entrepreneurial skills of women farmer groups.

We also initiated the development of an AGRA gender strategy and action plan to guide the organization's attention to gender in its institutional goals, objectives and operations. A draft of the strategy was submitted to the organization in November 2012 for review and feedback, and the final revised strategy will be submitted in early 2013.

Improving Monitoring and Evaluation

AGRA's Monitoring and Evaluation Unit is responsible for helping the organization and its programs more fully understand the impacts being achieved and how to better measure them. It also aims to help strengthen grant management and increase transparency about the effectiveness of major investments being made across the organization.

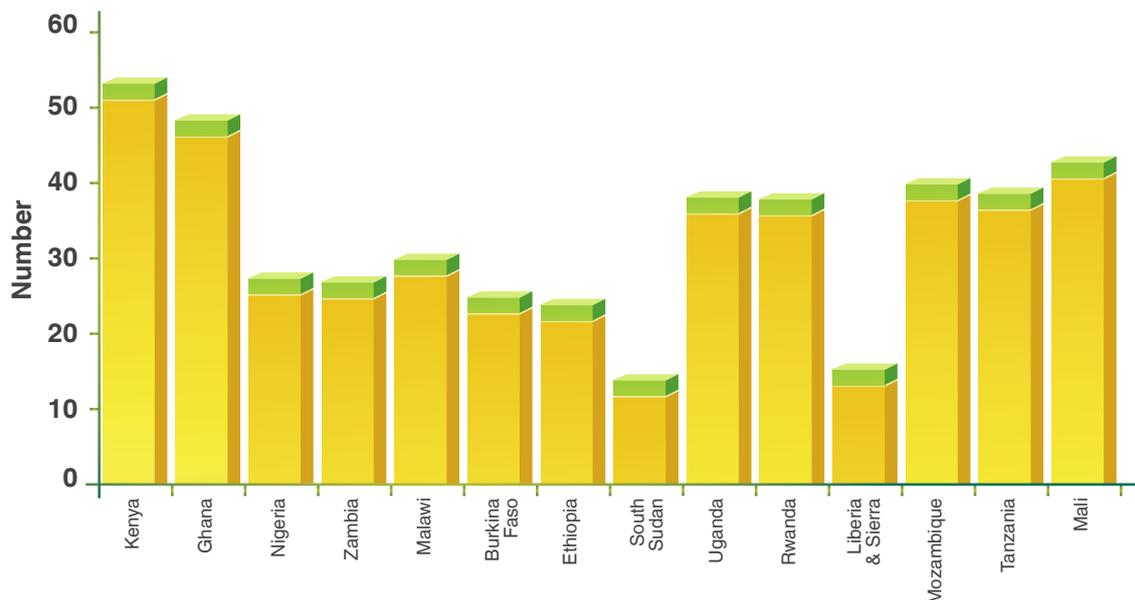
In 2012, the M&E team conducted training for 227 grantee organizations representing a total of 466 participants from 16 countries. The objectives of these training sessions were to: improve the quality of proposals; ensure effective project implementation; enable results-based management; and enhance the accountability of current and prospective AGRA-funded projects. To achieve these objectives, training focused on the role of monitoring and evaluation in the project cycle, and three key monitoring and evaluation tools – the Results Framework, the Key Performance Indicator Table, and the Indicator Performance and Tracking Table. AGRA Management approved the use of these tools, and they have been taken up by the Grants Unit and are being used in all new funding proposals submitted to AGRA.

In collaboration with the World Bank, the M&E unit organized an impact evaluation capacity building workshop for AGRA's staff, grantees and consultants. The objective was to ensure that staff and stakeholders had a common understanding of impact evaluation concepts. The Unit is preparing to commission impact evaluation studies in 2013, to assess major outcomes and impacts of AGRA's investments.



466

AGRA grantees trained, by country



In 2012, the Center for Effective Philanthropy (CEP) carried out a Grantee Perception Survey for AGRA. The Grantee Perception Report (GPR) reveals how the organization is seen by its grantees relative to a set of perceptions of other organizations that were surveyed.

CEP surveyed 245 grantees and the response rate was 58%. Grantee feedback was collected through CEP's proprietary GPR survey, and individual grantee responses were kept confidential. According to the results of the survey, AGRA was rated positively for its impact on grantees and was ranked higher than 95% of all funders in CEP's dataset for the helpfulness of its selection and evaluation/reporting processes. AGRA was also rated above most funders for its leadership in new thinking and practice in grantees' fields. "AGRA is leading the way in making science the basis of our effort to fight food insecurity", writes one grantee. Another explains, "AGRA is complementing the efforts being made by both researchers and extension workers in the field of soil fertility."

Grantees frequently referenced the steady support provided by AGRA staff and one wrote, "The big difference that AGRA has with other donors is that from the proposal development to acceptance, AGRA staff are fully involved."

The GPR included an interesting "word cloud" that illustrates the various ways that AGRA is perceived by its grantees (page 44).

Another major 2012 activity for the Unit was a review of the 2010 African Green Revolution Forum (AGRF) outcomes and actions. The mandate from the Forum was to create an ongoing, measurable blueprint for action. The purpose of the review was to assess the extent to which the Call for Action and the areas identified during the Forum had been followed up by various organizations, whether progress has been made in implementing the agreed actions and whether the expected outcomes were monitored and documented.



- In partnership with all of AGRA's programs and many other key partners, the Unit planned and coordinated implementation of AGRF 2012, held in Arusha, Tanzania.
- In partnership with NEPAD's communications team and Highway Africa, we hosted a pan-African media workshop as a precursor to AGRF in order to equip the media with knowledge about emerging issues with respect to Africa's agricultural sector.
- We finalized the redesign of AGRA's website in 2012, and trained staff from each program in how to use the new site to give visibility to their success stories.

To position AGRA as a positive force in the agricultural development space, we participated in a number of international events, including:

- The Chicago Council on Global Affairs, which brought together leading agriculture thinkers and experts from across the globe to share ideas regarding sustainable solutions to food insecurity;
- Africa Media Leadership Forum, which provided an opportunity to share our vision for agriculture with media leaders from across the continent.
- The World Food Prize, 2012, which gave us the opportunity to communicate face-to-face with high-level stakeholders about our vision for African agriculture and how to achieve it.

- The Economist Food Security Conference, which enabled us to directly share our thoughts on the role of agriculture in “transforming rural poverty into prosperity” with more than 150 participants from influential organizations in the agricultural realm.

The team organized a number of capacity building activities to support AGRA staff and

our partners to better take advantage of existing communications opportunities. We capitalized on various program staff retreats to train staff on communications tools and the effective use of media. We also organized media training for AGRA Directors, as well as for some of our Program Officers.





Improving Lives and Livelihoods Across Africa

“Our first major agriculture grant helped create the Alliance for a Green Revolution in Africa. The goal for us with AGRA was to get much closer to the people we wanted to help. We knew it would maximize our impact. Seven years later, I am proud to see everything we’ve accomplished together with AGRA and so many other African organizations. I am thankful for all you have taught us about doing this work effectively.”

Melinda Gates
Bill & Melinda Gates Foundation

The true measures of success for AGRA are the payoffs our efforts bring to Africa’s rural poor. From the very beginning, this has been our credo and a fundamental goal. While we work with many different partners, and at many different levels and points along the agricultural value chain, achieving impacts that improve lives and livelihoods at the grassroots level is what drives us.

The stories presented here contain a sampling of those impacts, and illustrate our work across Africa’s agricultural value chain. We start with building the capacity of researchers, and look at how their work is helping smallholder producers. Several stories illustrate our efforts to move farmers in the direction of commercial agriculture – improving the productivity of their soils, making sure they have access to needed inputs through a growing pan-African agrodealer network, improving market access, and opening the door to credit. We highlight the payoffs that can come from better seed and trade policies. We end with a look at one recent example of helping countries that are emerging from conflict.



Building the Capacity of Agricultural Researchers

Breeding Better Beans for Uganda

Beans are a mainstay of the traditional Ugandan diet, rich in both protein and calories. They are grown in widely different cropping systems across the country and in addition to being a primary staple food, beans are an important source of income for most smallholder households.

But bean production in Uganda is limited – sometimes severely – by various plant diseases. One of the most important of these is called ‘bean anthracnose’, a fungal disease that can dramatically reduce yields, as well as the quality of the beans produced. Enter Dr. Stanley Nkalubo, a plant breeder working for

the Ugandan National Agricultural Research Organization (NARO) and based at the National Crops Resources Research Institute (NaCCRI) in central Uganda, about 30 km from Kampala.

Stanley is a plant breeder, but he started his academic career as a soil scientist specializing in soil fertility. After completing his MSc, he sought and was awarded a scholarship by the African Centre for Crop Improvement (ACCI) to pursue a PhD in plant breeding at the University of Kwazulu-Natal in South Africa. He was acutely aware of the threat posed by bean anthracnose to smallholder food security and incomes in his native Uganda, and he chose to focus his graduate research on developing improved bean varieties with genetic resistance to the disease. His efforts led to the production of over 400 beans lines that had varying degrees of resistance levels to the fungus. After completing his PhD, he applied for a three-year project with

AGRA's Seeds Program to continue his breeding work, together with farmers' groups in 12 locations in four districts in central and eastern Uganda. By using farmer participatory varietal selection, Stanley was able to more quickly advance his bean lines, and in April 2010 NARO released two of his high yielding, early maturing, anthracnose-resistant bean varieties, called NABE 15 and NABE 16.

After these varieties were released, Stanley began working with additional farmers' groups, as well as seed companies, schools, NGOs and the National Agricultural Advisory Services (NAADS), to produce quality seed of the new varieties. He also worked with the Uganda National Bean Development Program to equip farming communities with knowledge about seed production and marketing techniques.

In December 2010 Stanley obtained another three-year grant (2010-2013) from AGRA aimed at producing more improved varieties, and making sure that the new varieties released by NARO reached farmers. He knew that producing better bean varieties was not enough; farmers had to know about and have access to the new, high quality bean seed in order to increase yields and production, improve food security, and raise household incomes.

This second grant enabled Stanley to engage farmers across Uganda, thereby increasing their

awareness and understanding of the importance of using good quality seed for crop production. In the course of his work, Stanley has developed close ties with over 40 farmers' groups whose members grow beans in a variety of agro-ecological zones throughout the country. He also worked to encourage various seed companies and NGOs to promote the production of quality seed of the new varieties. Some of the farmers' groups he is working with have taken up the challenge of bean seed production, and are now being contracted by seed companies to produce quality seed for them.

The new bean varieties have made a measurable impact in the productivity and livelihoods of farmers and farmers' groups, especially those involved with Stanley's efforts from the beginning. A good example is the farmers' group SHUPO (Sickness, Hunger and Poverty) whose bean seed production has hit over 10 MT and, in the first season of 2012, the group earned 44 million Ugandan shillings (about US\$ 20,000) from the sale of bean seed alone. This particular group, along with 11 others in different locations in Uganda, was instrumental in prompting the release of NABE 15 and 16.

The demand for these two varieties, as well as for seven others NABE cultivars released by NARO in September 2012, has increased very quickly. All are early maturing, produce high yields, have resistance to important diseases, and match up well with the qualities that consumers want. To date, Stanley's second AGRA project has directly reached over 20,500 farmers, of which over 60% are women, with at least one of the new bean varieties. This number is in addition to those farmers reached by seed companies, NGOs and the NAADS program.





Women Farmers: Prime Movers in the Adoption of New Bean Varieties

The story of Harriet Nkiizi, a smallholder farmer in Bujumba village in the district of Wakiso in Uganda, is being replicated across Africa. Farmer Harriet had regularly planted beans using traditional landraces, and she rarely produced enough to meet her household needs, let alone have any left over for market.

Through her membership in a seed growers association, the Kuteesa Bean Seed Growers, she managed to get one kilogram of a new bean variety called NABE 15, developed by AGRA-supported researcher Dr. Stanley Nkalubo and released by Uganda's National Agricultural Research Organization (NARO). In her first season of planting NABE 15, she harvested close to 40 kg of beans on her 0.5-hectare farm. She used the harvest to feed her family and saved 8 kg as seed for her second planting season.

In her second season, Harriet planted eight kilograms of NABE 15 alongside two other

varieties, NABE 4 and K132. To her delight, NABE 15 not only outperformed the other two improved varieties, it was also early maturing – an additional highly preferred trait among smallholder farmers: “I am going to allocate more land to this new variety,” Harriet says, with a glow in her eyes.

AGRA's support of Dr. Nkalubo was both timely and transformative. The development and dissemination of NABE 15 triggered a wave of change in Eastern and Central Uganda, and beyond. As Harriet puts it: “I know a lot of people will want this variety in the future because it matures very quickly and still yields more, and the beans are very sweet on eating; they also take a very short time to cook compared to other varieties and this saves on firewood”.

Harriet is very grateful to the National Bean Program for introducing her to NABE 15, but says: “I wish NARO could also provide me with seed for NABE 16. I saw in the demonstration field that it was doing very well, but there was not enough seed for all of us.” Nothing breeds success like success!

African women farmers produce the bulk of

Promoting the Impact of African Women Scientists

our food, yet women scientists are largely missing in the laboratories, research fields, and extension programs working to improve farm-level productivity. Still, progress towards more balanced representation is being made, and young women scientists are beginning to make their mark.

Asnaketch Beyene Tekali is an Ethiopian doctoral student at ACCI working on Faba bean resistance to chocolate brown spot, one of the most widespread and damaging fungal diseases of broad beans. Asnaketch is making significant progress towards stronger brown spot resistance, and given the importance of Faba bean in Ethiopian agriculture she could return home to a hero's welcome. If her research is ultimately as successful as it looks like it will be, Asnaketch's work could dramatically improve the prospects for higher incomes and increased food security for millions of poor rural households in Ethiopia.

Another example: Susan Wanderi (from Kenya) and Abush Tesfaye (from Ethiopia) both completed their PhDs at ACCI working on new soybean varieties that hold substantial promise for improving diets and incomes in their home countries and beyond. And Priscilla Adofo Boateng (from Ghana) conducted breeding

research focused on improving the productivity of cassava in West and Central Africa for her MSc thesis at Kwame Nkrumah University of Science and Technology. Her success could eventually lead to a major increase in food availability and dramatically improve intra-regional food markets in West Africa.

Other exciting payoffs are increasingly evident through AGRA investments in building the science and leadership capabilities of women scientists in the region. Janet Nabwani (from Uganda) is an AGRA PhD candidate in soil and water management at Sokoine University of Agriculture in Tanzania and an AWARD Fellow. Janet clearly appreciates the importance of robust agricultural science: "I want to use my knowledge about soil science to solve the challenges faced by millions of smallholders – those who produce, process, and market the bulk of Africa's food. With my skills in soil science, combined with the presentation, communication and leadership skills I'm gaining through the African Women in Agricultural Research and Development program, I hope soon to make major contributions to the productivity of small farmers in my home country."

African agriculture also needs the female scientist's voice at the policy table. Proficient and informed female decision makers are needed to shape agricultural policies that are responsive to the interests and needs of women producers. As Janet says: "AWARD's leadership training will help me to build the alliances I need to achieve research, business and even policy results when I get back to Uganda."







Commercializing Smallholder Agriculture

Taking ISFM Technology to Scale in Malawi

Back in 2009, the Clinton Development Initiative (CDI) secured funding from AGRA to support outreach services for its “anchor farm” business development project in Malawi. This approach involves CDI using a large commercial farm as a hub for reaching out to surrounding smallholder farmers with various services.

These include training in agronomic best practices; improved market linkages that increase farmer access to inputs, financial services and farm produce contracts; and the development of farmer organizations. The CDI project has a target of reaching 21,000 farmers with integrated soil fertility management (ISFM) practices to improve the productivity of smallholder soybean and maize cultivation.

Amos Chipokosa, of Kapalamula Village in Malawi’s Mchinji district, is one of the farmers benefiting from the project. At the age of 30, Amos is a young man who has decided to invest his time in farming and business. Amos and his wife Sofilet run a grocery store in the village, an idea that came from Sofilet. “When I was living in Mponela in Dowa District, our neighbor had a

grocery store and the wife used to operate it. I saw that the family lived a decent life and easily met their day-to-day needs.” Sofilet started the grocery store in 2008 with MK 15,000 (about US\$ 110 at the time). Of this, MK 10,000 was from the sale of groundnuts and she borrowed the rest from her brother.

In 2009, Amos decided to boost the business by injecting working capital of MK 15,000, money earned from the sale of soybeans. Amos and his wife have continued growing soybeans, and have taken care to increase the productivity of their land by applying ISFM practices. Proceeds from their groundnut farming are injected into the grocery store business and earnings from this business are used to cover crop production costs. They have also diversified their operation by starting a small backyard livestock enterprise.

As their businesses have grown, they have invested wisely. In 2012, the family was able to pay educational fees for Amos’s sister, who is enrolled in secondary school, as well as purchase a parcel of land (to be used for business purposes) at Matutu Trading Center in Mchinji district for MK 30,000. That same year they invested about MK 70,000 in improving their home, and the family plans to build another house in 2013 for commercial purposes.

Just Add Lime

For decades, Mr. Francis Munyengango eked out a pitiful living from his one-acre farm in Rwanda, producing only two bags of beans, year in year out. And then he had to decide what to do with the measly two bags of beans: sell them for a pittance at the Nyamagabe market or feed his family of ten, including his extended family dependents.

Unknown to him, his farm was beset by a crippling acidity problem that was seriously affecting the soil's fertility and limiting what the farm could produce. Soil acidity is one of the biggest constraints to increased agricultural productivity in Rwanda.

Having no other source of income, Francis and family went through agonizing times as they battled excruciating hunger pangs. Because of the long history of strife in the region, government extension services were not adequate. The family went on with the daily unrewarding chores, with no hope for the future. That is, until ISAR came on the scene.

Francis can now afford to smile. His farm is bustling with activity as members of his household work to prepare the land for the October planting season. Francis reckons that his decision to work closely with scientists from the Rwanda Agricultural Board (RAB), formerly known as the Institut des Sciences Agronomiques du Rwanda (ISAR), was one of the best decisions he has made in his fifty-four years. He now harvests up to 5 bags of beans from the same land, following the application of what RAB scientists refer to as the "whole package" – use of lime, complemented by



organic and inorganic fertilizers. He has been lucky to receive the attention of two dedicated RAB technicians, made possible by AGRA funding for a three-year project in the area. The project is promoting the use of lime and other integrated soil fertility management options.

Liming has the effect of neutralizing the soil's acidity and enhancing its productivity. Francis is now able to feed his family of ten and is regularly seen at the Nyamagabe market, selling the extra produce from his farm. Francis is now brimming with hope, and looking forward to diversifying his sources of income even as he expands the portion of the farm that is cultivated.

He has also begun his own initiative to promote the new ideas about liming and sustainable farming techniques he received from RAB to his neighbors. Pressed to name the challenges he is facing, Francis paused to reflect and then said calmly, "We cannot do farming without the complete package. I appeal to ISAR to arrange for credit with local agrodealers so that we farmers can access inputs on credit and pay for them after we harvest and sell our crops."

Making a Living from “Cow Drugs and Chemicals”

Ms. Alice Wamae told her closest friends that she was on the verge of starting an Agroveter business in the busy and sprawling Eastern town of Embu. Her friends were skeptical, wondering why she chose a business that deals with “drugs for cows and chemicals”, and not a posh shop or a classic restaurant. The capital involved was huge, and numerous licenses were needed that were hard to acquire. “But I did not want to take shortcuts. I knew massive efforts and sheer struggle were needed in order for me to make it big in this male-dominated industry,” says Wamae. While dusting some livestock drug bottles on her well-stocked shelves, she says that her dedication has not been in vain. Today, Wamae is the happy proprietor of a chain of three highly acclaimed and successfully branded Agroveter shops in Embu town and neighboring Mbeere district.

How did she do it? Well, she is grateful to Equity Bank for advancing her a series of soft loans. “I am very grateful to Equity Bank. How on earth would I have made it in this industry without their timely and helpful loans? I would not have made it this far.” She is also appreciative of several trainings she received from Agricultural Market Development Trust (AGMARK), the World Food Programme, and AGRA that enabled her to effectively run her three Agroveter shops. “AGRA linked me with WFP, which provided me some important equipment, such as a weighing balance, sieves, and gunny bags, all of which are vital in the Agroveter business”, she says.

The support of AGMARK, WFP and AGRA were important ingredients to Wamae’s success, but there can be no doubt that it is her strong entrepreneurial spirit and self-belief that enabled her to transform her life.





Building Africa's Agrodealer Network

Since it began, AGRA has been building a pan-African network of trained and reliable agrodealers. Initially, our focus was on increasing farmer access to improved, well-adapted crop varieties.

Over time, we broadened this work to include better access to fertilizers and other agro-inputs, and more recently, access to affordable credit facilities. We provide or facilitate training in the basics of small business management and customer care, and we are encouraging the development of national and regional networks of agrodealers that enable them to learn from one another's experiences.

Through this simple approach, AGRA has dramatically increased the number of qualified

agrodealers across Africa and improved smallholder access both to the inputs they need and to timely information and advice on how best to use them.

Jennifer Mangu is a wonderful example of how investing in agrodealer development pays off for smallholder farmers. Jennifer is a wife, mother and farmer – and is the Operations Director at Makamithi Enterprises, which is based in Machakos, Kenya. She is a true champion of the idea that agrodealers should serve as a reliable conduit of seeds, fertilizers, agricultural chemicals and knowledge to smallholders.

Born 59 years ago in a small village in the Ukambani region of Kenya, in 1997 Jennifer and her husband Gideon Mangu started on a journey to help improve the productivity of farmers in the region. With initial capitalization of about

US\$ 35,000 and a small staff of five (Jennifer served as both cashier and salesgirl), the couple launched Makamithi Enterprises.

Jennifer says that from the outset, their vision was to ensure “farmers get quality service and the best knowledge of farming practices”. Having started small, her business now boasts a turnover of over US\$ 5 million annually and a staff of thirty, with farmer clients in the entire Lower Eastern region of Kenya. She says her success is due mainly to four things:

Farmers need genuine certified seed – For a long time, farmers in Ukambani planted their own seed, saved from previous harvests. Coupled with unreliable rainfall, this led to reduced productivity and profitability. Jennifer worked to educate the farmers who came to her outlet on the importance of using certified seed. For those who listened, the payoff was evident and word spread to other farmers. “Use of uncertified seed is rare now” says Jennifer.

Farmers need credit – A revolutionary step forward has been an agreement reached between Makamithi Enterprises and Equity Bank of Kenya to provide farmers with inputs on credit. This was made possible by the AGRA/Equity Bank risk-sharing initiative, aimed at facilitating access to credit by farmers, agrodealers, and other agribusinesses in the farming value chain. The bank pays Makamithi directly for inputs provided to the farmers, who have agreed to repay the bank at an affordable rate of interest.

Capacity building – Jennifer says that the training she has received has helped her to more effectively manage and grow her business. This training was facilitated by AGRA, and it also

provided Makamithi staff with knowledge about new agricultural inputs and how to safely store and use them.

Access to financial facilities – Jennifer’s ability to obtain credit from financial institutions allowed her to diversify the inputs she supplies and also ensure that she has ready supply to meet the demand of smallholder farmers in the region. Jennifer is in a good position to continue growing her business, working with new suppliers who believe in Makamithi’s ability to sell only the best quality goods. She is working to develop partnerships with researchers who produce improved varieties, so that she can better advise farmers on how to get the most out of them. She also wants to improve her managerial and leadership skills so she can better serve her farmer customers. “Good service is the key”, says Jennifer, “and after all, service to man is service to God”.



Linking Seed Producers to Agrodealers

The new mFarm platform developed as part of an AGRA-sponsored project is helping to more efficiently link seed producers with agrodealers in Ghana. The Ghana Agrodealer Development (GADD) project sent mass SMS messages to agrodealers to announce the availability of certified seeds from the M&B Seed Company, which is based in the Volta Region of Ghana. More than 700 agrodealers from the Eastern Region, Greater Accra, and different parts of the Volta Region of Ghana received the SMS message and, as a result, followed up on business dealings with the seed company.

Given this increased demand base, the M&B Seeds opened four new distribution points in Northern Volta, Southern Volta, and Eastern region to serve agrodealers in those localities. This SMS service is not only reducing the time required for the seed company to locate potential distributors, but is also enabling farmers to access high-quality seed from agrodealers without having to travel too far from their farms.

Strengthening Agricultural Production in Sierra Leone

The Agricultural Enterprise Challenge Fund (AECF), a special partner of AGRA, is funding implementation of a system developed by Biolands International Ltd in Tanzania to improve the quality and quantity of smallholder cocoa production.

In addition to helping improve productivity and quality, the Biolands system empowers cocoa producers to certify their beans as “social or fair trade” produce, and as organic.

Commodity certification has been with us for some time now. Fair trade certification, for instance by UTZ or the Rainforest Alliance, and an IMO guarantee that a product is organically grown provide desirable marketing assurances – for which consumers are willing to pay. Such certifications, however, have remained largely beyond the reach of smallholder farmers.

Thanks to the Biolands system, though, about 40,000 smallholder cocoa producers in Sierra Leone stand to gain, both in terms of increased productivity and better quality, and because they can get higher prices for their beans.

The Biolands system involves working directly with farmers at the village level. In each community, a village coordinator is chosen by farmers and is responsible both for working with them to ensure the use of proper pre- and post-harvest techniques and to organize the efficient payment for and collection of cocoa.

When the AECF Biolands project began in 2008, a number of companies (mainly Lebanese) were buying from cocoa farmers in Sierra Leon, but they were showing up only at harvest time to make their purchases and then disappearing, providing little in the way of advice or support to farmers. There was no certification of any kind.

The prices offered by those traders were low (less than US\$ 0.70 per kg). Biolands International estimates that the Lebanese traders were buying about 16,000 MT of cocoa from farmers across the whole country, most of them located in the districts where Biolands now works.

Biolands staff held village meetings in order to introduce their new system. The company provided training to farmers, and in 2009 it started nurseries to produce high quality Amazon cocoa varieties. Biolands introduced certification (by IMO) of organically grown cocoa, but did no marketing under the organic label. They introduced the local farmer groups to UTZ in 2011, and marketed cocoa beans under their sustainability certification.

The introduction of the Biolands system improved the quality of the cocoa being produced, which as expected led to higher market prices. This brought benefits to all farmers, regardless of whether they sold to Biolands or to other traders.

During the 2011/12 season, Biolands International bought cocoa from about 8,500 farmers, mainly in the Kailahun and Kono Districts. They estimated total cocoa production in the two districts to be about 12,000 MT – higher than previously – and they bought nearly 20% of that for export (about 2,000 MT).

The important point, however, is that due to quality improvements and certification, farmers in these two districts received on average an additional US\$ 0.33 cents per kg over the price they would have received from the Lebanese traders (had the Biolands system not been put in place). Across the whole of the country, this translated into nearly US\$ 4 million in additional smallholder income in 2012. Each farmer – whether or not directly involved in the Biolands project – realized a net benefit of more than US\$ 75, a significant improvement in income earned by cocoa producers in the country.



Implementing Warehouse Receipt Systems in Makueni, Kenya

Post-harvest losses and low quality grain reduces returns to farmers below the cost of production in many parts of Kenya. To tackle this problem, AGRA's Market Access Program recently invested in a 3- year Warehouse Receipt System project that is designed to extend the selling period well beyond harvest time, and reduce post-harvest losses. The Eastern Africa Grain Council (EAGC) is implementing the project.

One place that could benefit greatly from this initiative is Makueni County, Kenya. A largely arid or semiarid zone, the county also lacks much in the way of physical infrastructure, which increases marketing costs and is a major constraint to selling the pulses grown by local farmers.

Introducing a warehouse receipt system in Makueni County would lower transaction costs along the supply chain, stabilize prices, and make Kenyan pulses competitive in international markets – all of which would increase farmers' profit margins.



The Kasikeu Multipurpose Cooperative Society in Makueni County, which has over 2000 members divided into 30 farmer groups, was selected by EAGC to participate in the project. One reason was that the cooperative operates a growing village bank, the Kasikeu Financial Services Association, which was launched in 2009. By September 2012, the Association's membership had increased from its initial 450 to 1,352, and had disbursed a total of US\$ 287,000 in loans. This Association is important to the EAGC project because it can provide financing to participating farmers.

The Kasikeu Cooperative was not sure they could meet the stringent warehouse certification requirements, but after being guided through the process they were able to refurbish their store to meet the standards required for certification. Cooperative members each contributed US\$ 2.50 towards the renovation costs, and a total of US\$ 2,500 was invested in repairs. This clearly demonstrated the commitment of the group to be involved in the EAGC project.



The project in turn was able to support the Cooperative with basic post-harvest equipment, including a platform weighing scale, a tarpaulin, a moisture meter, and two grain sieves. The warehouse was then inspected by Intertek Services Ltd and declared fully certified in February 2012. A warehouse management committee was formed and two staff members employed.

In September, farmers participating in the project began bulking the grain that each of the 30 farmer groups had aggregated. To create greater awareness of the new system and encourage participation, EAGC organized an official launch of the certified warehouse in October, which was officiated Ms. Anne Onyango, Director of Policy at Kenya's Ministry of Agriculture, and attended by a cross section of partners and stakeholders.

The warehouse is now fully operational. As of the end of 2012, a total of 1,159 50 kg bags of assorted pulses had been deposited. Of these, 108 bags of green grams had been sold. And loans totaling US\$ 16,250 had been taken by farmers – ranging from as little as US\$ 4.30 to as much as US\$ 742 – all secured by grain stocks held in the certified warehouse.

Thanks to this new warehouse receipt system – one of several that are being established in Makueni County, farmers no longer have to sell all their produce at harvest time, when prices are usually at their lowest. Because the storage facilities are much improved, their post-harvest losses have also dropped dramatically. And perhaps most importantly, farmers are now able to use their stored grain as collateral for loans needed to sustain and improve their operations.

Linking Farmers to Credit in Rwanda

Investing in such farm inputs as improved seeds, fertilizer, and farming equipment is a challenge to many smallholders in Rwanda. Despite the formation of farmer organizations meant to facilitate the pooling of resources for bulk buying, limited smallholder access to credit has deferred their dreams of higher incomes and improved livelihoods. For this reason, AGRA's Markets Program is supporting farmer cooperatives in their efforts to access credit; it is doing so by building their capacity to aggregate, and linking them to buyers and financial institutions.

During the last six months of 2012, twelve cooperatives with a combined membership of 1,823 smallholders were able to borrow US\$ 400,000 from the Bank of Kigali and Bank Popular of Rwanda. This money was used to buy inputs, and to pay farmers for their produce.

One cooperative, known as IBYZABIRIMBERE, obtained two loans from Bank Popular of Rwanda. The first (for US\$ 100,000) enabled the cooperative to purchase its own truck for collecting produce from farmers, with the remainder (combined with a second loan for US\$ 170,000) being used to pay for their produce.

To date, all 460 farmer members of IBYZABIRIMBERE cooperative have individual accounts through which they receive their payments. The bank is now also willing to give individual loans to all of the cooperative members, equivalent to three times their seasonal deposit.

Currently, 60 farmers have received a credit named "SARURA", meaning Save for Loan,

which will be extended to all members of this Cooperative. Other cooperatives of the same District can benefit from this financing facility. “SARURA” works with farmers grouped in cooperative. The cooperative says that all payments will be done through the farmers’ accounts and that individual farmer requests for credit will be judged according to the volume sold during the last season and the amount deposited in the farmer’s account.

Scaling Up Agrifinance in Kenya

Tito Barngetuny is a 37-year-old small-scale maize farmer in Ziwa village, Kitale town, Kenya. Due to financial constraints and a lack of land, Barngetuny was limited to growing his crop on only a 1-acre parcel. But today, the young farmer is taking full advantage of affordable credit now being made available by Equity Bank, thanks to an innovative risk-sharing program that has been sponsored by AGRA. He has increased his farming operation to ten acres, and he plants both maize and wheat. “Before, I used to farm only for my household, but today I can afford to sell my surplus in other lucrative markets and still be left with enough for my household,” says Barngetuny. The soft-spoken farmer says that he used to get less than 4 bags of maize from his 1-acre plot, but on the 10 acres he is now farming, in a good season he gets an average of 300 to 350 bags of maize. Tito’s story illustrates the impact of AGRA’s agrifinance program on the lives of agricultural entrepreneurs.

Six years ago, a group of young men in Kaptebee Village in the Uasin-Gishu district of Kenya did not believe they could make a relative fortune from farming, despite their area being in the country’s largest breadbasket. The

Group’s secretary, Elija Lelei, says access to credit facilities from Equity Bank, and a ready market with the UN World Food Programme has allowed the group to increase the average cultivated area of its members from 2 acres to an average of 5 acres each, and enabled them to buy a 0.25 acre piece of land where they are currently constructing a storage facility that will hold up to 4,000 bags of grain. Lelei’s group has so far successfully delivered on several WFP tenders for beans and maize, and is able to meet the rigorous quality standards and contract requirements of WFP.



This shows how small-scale groups with access to credit facilities and ready markets can move from subsistence to commercial farming. The group started with only 12 members, but has grown considerably. Its membership has now reached 100, all smallholder farmers. “Being able to get credit financing”, says Sitienei, “gives members the ability to capture a good portion of the value of their crops because they do not have to sell immediately after harvest, when prices are normally low. This makes it possible for us to invest in our farms and build a better future”.

Improving Policies

Transforming Ghana's Seed Sector to Spur Agricultural Growth

Sustainable economic development in Ghana can only be achieved by modernizing the country's agricultural sector. The use of improved seed and fertilizer, for example, is far below optimal: adoption rates of improved varieties range from just 2-10%, depending on the crop, and the average rate of fertilizer use is only 11 kg/ha.

Before 2011, Ghana's seed industry was guided by the 1972 Seeds Decree, NRDC 100, and associated regulations. The fertilizer and crop protection sectors, however, have never had any laws governing them. The rapid technological transformation of the seed sector, both globally and locally, overtook the provisions of the 1972 Seed Decree. In particular, the Decree mandated that foundation seed production was the responsibility of the Grains and Legume Development Board (GLDB). Unfortunately, the Board did not have the capacity to produce enough good quality foundation seed for all its mandate crops, especially rice, sorghum and groundnut. Poor quality foundation seed combined with technical, production and marketing constraints to undermine the ability of the private seed sector to provide certified seed for farmers. As a result, farmers were unable to increase productivity and production, and this had negative effects on agribusiness development, the growth of farm incomes, and the reduction of rural poverty.



We have been working closely with development partners and other stakeholders to help the government of Ghana reform its agricultural policies. AGRA and the Millennium Development Authority (MiDA) provided both technical and financial support to the government through the Ministry of Food and Agriculture to promulgate the new Plants and Fertilizer Act 803 of 2010. The Act was passed by the parliament in June 2010 and assented to by the President of the Republic in September of that year. Part I contains the plant protection law, Part II the seed law, and Part III the fertilizer law.

The new seed law repealed the outdated 1972 Seeds Decree and addressed the following shortcomings:

- It now conforms with the International Seed Testing Association (ISTA) regulations, the World Trade Organization Sanitary and Phytosanitary (WTO-SPS) Agreements, and the International Plant Protection Convention (IPPC), which will promote free trade in improved seed;
- It liberalizes foundation seed production, so that private seed companies can now generate their own foundation seed (from which certified seed is produced);
- It provides for sustainable funding of seed regulatory activities through a national Seed Fund;
- It establishes a National Seed Council to regulate and oversee the development of the seed sector, and
- It provides criteria for seed quality assurance with an ISTA accredited laboratory (with support from the United Nations Industrial Development Organization)

Following the promulgation of the law, the Ghana Seed Policy Action Node was instrumental

in developing new seed regulations as prescribed in the law. AGRA and a number of other partners support this Action Node, which includes representatives of the private sector, government, NGOs, and civil society organizations. The new law and its associated regulations have set the stage for a vibrant commercial private seed sector, a huge step forward along the path to modernizing Ghana's agriculture.

Removing Maize Trade Barriers in Tanzania

Tanzanian maize producers face several policy, institutional, and regulatory challenges, especially in crop marketing. While exports of almost all agricultural commodities were liberalized by 2010, maize exports remained subject to occasional bans by the government. These bans typically coincided with supply shortfalls in Eastern and Southern Africa and were intended to stabilize domestic prices. But studies showed that they could also have the unintended consequences of increasing price volatility and driving down prices in surplus areas, such as the Southern Highlands.





Studies also showed that export bans could work against other government priorities and initiatives, including those aimed at increasing agricultural productivity. There were times when, because current and accurate information about grain supply and demand was lacking, temporary bans on grain exports remained in force even when there were bumper harvests. Evidence shows that the bans created disincentives for adopting modern technologies and inputs, and that they were not always effective in stopping the illicit export of maize.

It was in this context that the AGRA-supported Tanzania Markets Policy Action Node commissioned a study to produce solid evidence of the impacts of banning maize exports, following a ban on maize exports earlier that year. In October 2011, the final results of the study on trade barriers were shared widely through several media channels, and summaries were developed and shared with stakeholders. The goal was to help Tanzania more clearly see any problems caused by banning cross-border trade in staple grains – even if put in place temporarily.

In April 2012, the Markets Policy Action Node held a roundtable meeting with members of the Parliamentary Committee of Agriculture to sensitize them on the importance of removing such barriers. In August, stakeholders were engaged in debate through a public-private dialogue, involving both electronic and print media. Node members were interviewed on radio and television, and quoted in newspapers. The results of the study on the negative effects of cross-border trade barriers were discussed at length with farmers, traders, researchers, NGOs, civil society organizations, private sector representatives, development partners, and government officials.

In September 2012, the government publicly announced that the ban on cross-border trade for staple crops had been lifted. The announcement from the Ministry of Agriculture acknowledged the evidence generated by the AGRA-sponsored study as helpful in making the decision. While the trade ban was only lifted in September 2012, we believe this policy change will promote productivity and significantly raise the incomes of farmers, traders, transporters and processors.



Helping Countries Emerging from Conflict

Investing in South Sudan's Seed Value Chain

AGRA began working with South Sudan in mid-2011, soon after the country achieved its independence. Our goal is to ensure the supply of high quality seed to smallholder farmers, especially women, and our efforts focus on capacity building, support to crop improvement initiatives by the government, and support to private sector seed producers. The first such private seed producer – Century Seed Company Ltd – was established in 2011 with financial support from AGRA.

Century Seed is based in Yei (Central Equatorial State). It has begun producing seed of improved varieties of the crops vital for food security in South Sudan, including maize, groundnuts, sorghum, and sesame. Working with Dr. Itai Makanda, our Seeds Program Officer in South Sudan, Century Seed's Ware Aaron Lomude developed a project proposal that was funded by AGRA in April 2012. With funding in hand, the company then initiated its seed production

operations using improved varieties released by the Ministry of Agriculture, Forestry, Cooperatives and Rural Development (MAFCRD) Research Directorate.

AGRA also supports public sector agricultural research in South Sudan, and to date four breeding programs – maize, rice, cassava and sorghum – have been funded. In all four cases the aim is to develop local breeding programs that will see South Sudan become self-sufficient in producing locally adapted improved varieties. In order to backstop development of the seed industry, scientists and seed technologists are being trained in plant breeding and seed technology in regional universities. So far AGRA is supporting 12 MSc candidates from the federal and state Ministries of Agriculture and Universities.

The work of Century Seed marks the first time that certified seed has been produced within the

boundaries of South Sudan, and the company has started operations on a high note. It has planted and is harvesting 1.5 MT of foundation seed of an adapted open-pollinated maize variety (OPV), and 0.9 MT of rice foundation seed. (Foundation seed is used to produce certified seed.) Thus in the next season, starting March-April 2013, the company will go full scale into certified seed production.

To boost the capacity of the company staff, we have organized training at the AGRA-funded Seed Enterprise Management Institute (SEMI), which is housed by the University of Nairobi in Kenya. Various aspects of seed production are covered in the training, and we have seconded a technical expert in seed production to work with the company for six months, taking them through all practical aspects of seed production and building the company's knowledge base.

Among the promotional activities focused on the use of certified seed are demonstration plots that have been established in farmers' fields by AGRA, the FARM Project (USAID), and the International Fertilizer Development Center (IFDC). These demonstrations showed farmers that yields could be more than doubled, increasing from their current levels of between

0.5-0.8 MT/ha, to as much as 2.0-4.0 MT/ha, depending on the crop. In follow up on these demonstrations, farmers say they are ready and willing to purchase high-quality seed of improved varieties in the next season.

This work is a very good example of effective field-level partnership. IFDC is training agrodealers and aggregators how to supply farmers with inputs, especially fertilizer, while the FARM Project teaches them how to use the inputs, increasing their knowledge about and ability to apply improved agronomic practices. Century Seed is working with IFDC and the FARM Project, not only to increase farm-level productivity, but also to train a cadre of outgrowers for seed production.

Century Seeds has also applied for support from the African Enterprise Challenge Fund (AECF, hosted by AGRA) in order to purchase equipment, such as processing machines, construct warehouse facilities, and acquire fertilizer. While admittedly still in its early days, the work being done with these development partners is dramatically improving South Sudan's chances of moving towards seed security in the next few years.



The African Green Revolution Forum 2012



Between the 26th and 28th of September 2012, more than a thousand representatives of public and private organizations involved in bolstering African agricultural development gathered at Ngurdoto Mountain Lodge, near Arusha, Tanzania.

The overall theme of AGRF 2012 was “Scaling investment and innovation for sustainable agricultural growth and food security”, and intensive discussions were organized around four major topics:

Rethinking Public/Private Partnerships: Catalytic Policy Interventions for Transformative Change

AGRF 2012 provided an opportunity for stakeholders to come together and share their thoughts on the decisive areas and activities in which African governments can facilitate the development and effective implementation of agrifood system enterprises and initiatives.

Key action areas emerging from this session:

- Governments should set up a one-stop Agricultural Investor’s Center that can provide local and foreign agriculture investors with information they need, including formal investment procedures in different countries, to nurture sanctioned foreign investments across the continent.
- Policy and legal frameworks are needed that are supportive of both local and foreign investment programs.
- Private sector players should advocate for favorable policies and help encourage governments to follow policies “to the letter”.
- Governments need to streamline land policy and regulatory frameworks to minimize

instances of “land grabbing” and ensure a more equitable system that suits all value chain actors.

- Governments and private sector organizations should support the incubation and growth of small agribusinesses, and guiding policies should be established to this effect.

Revolutionizing Agricultural Finance: Reducing Risk, Scaling Up and Reaching Out

One pressing challenge facing agricultural development in Africa is the need for affordable financing for smallholder agriculture. Most experts agree that sufficient funds are available, especially with private sector involvement, but attracting more private funds into agrifood chains on affordable terms is a challenge, primarily because of the perceived high risks associated with agriculture. Meeting this challenge requires

policies and innovative partnerships that can change incentives and leverage private sector resources along value chains, including for smallholder farmers.

Major recommended actions from this session

- Develop effective models for interaction and coordination between the various players in the financial system to trigger transformational financial innovation.
- Develop new models to “de-risk” and finance very poor, socially excluded smallholders. Among the elements of these new models, discussants identified working more closely with smallholder farmers in order to better understand their needs and help them gain a more favorable position in value chains as a top priority. Involving financiers in non-financial interventions (such as capacity building, grants, and risk sharing) was also considered an important step that could raise their comfort level with smallholders and reduce perceived investment risks.



- Scale up Weather Index-Based Insurance (WIBI) by encouraging African governments to install at least 1,000 weather stations in 10 countries over the next 3-5 years, an action that would make possible the provision of WIBI coverage to an additional one million new farmers.
- Develop a new platform (or enhance an existing one) to allow development partners and the private sector to share experiences and increase collaboration. The platform should build on increasing acceptance that the private sector, rather than donors, should be the driver of change, and that improved coordination and communication between such actors will pay higher dividends for all.

Making Agricultural Markets Work

Farmers need access to efficient market chains that they can rely on to sell their products at competitive and stable prices. Small farms face major disadvantages in accessing modern market chains. These include low volumes of produce to sell, variable quality, seasonality and limited storage, high transactions costs, poor market information and contacts, and limited ability to meet the quality standards of some high-value outlets. While many local market outlets still exist, the best business opportunities are open to farmers who can organize for urban and export markets.

Emerging action areas

- Regionalization of commodity trade in East and Southern African, which can be achieved by generally harmonizing trade policies within regional economic communities, removal of

cross-border trade barriers, provision of market knowledge and information to all parties, and building the capacity of smallholders to drive markets.

- The development and donor communities should take the initiative to advance and support the initiation of public/private partnership arrangements appropriate for contract farming.
- Facilitate a roundtable of government, donor agencies, social entrepreneurs and private sector players investing in contract farming to discuss and agree on how best to deploy resources invested in contract farming projects.
- Replicate the “Cassava: Adding Value for Africa” (C:AVA) project and scale up the size of processing operations to national or regional levels, particularly in countries that are growing cassava.
- AGRA should work closely with sub-regional organizations to help them identify and reduce constraints to regional trade, such as poor infrastructure, the high cost of transport, the lack of uniform product standards, and corruption.

Building the Foundation for Rapid Growth in Agricultural Productivity

Technological change in agriculture is essential for improving food security and agricultural growth, lowering food costs, and increasing competitiveness in domestic and foreign markets (both in terms of cost and product quality). Raising yields will require greater use of



fertilizers and improved seeds, better agronomy, and improved soil and water management. Many technologies are already available, but sustained productivity growth will require the development of a constant stream of new technologies, and this in turn will require investment in R&D, including the training of more agricultural scientists.

Some action areas identified during this session

- Governments should give more support to private seed companies to ensure that adequate, high-quality foundation seed is available to smallholders at planting.
- Governments should ensure conducive regulatory and policy environments to enable private seed companies to thrive and meet the ever-increasing demand for quality seed.

- Seed companies should be given autonomy in seed production, with the understanding that they also have to produce high-quality seed if they are to stay in business.
- Build the case for institutional and private investment in infrastructure – especially dedicated fertilizer terminals.
- The African Union will facilitate evidence gathering, discussions and consultations on models, recommendations, suggestions and approaches to building and sustaining science and technology capacity in Africa.
- Establish an African Agriculture Water Facility/ Fund and encourage African governments and development partners to provide matching grants to agricultural water management investors.

Crosscutting Issues: Women Farmers and Agri-entrepreneurs

Realizing the potential of women as farmers and entrepreneurs across the food value chain is central to unleashing their productive capacities. As action areas are made more concrete following AGRF 2012, smart interventions should be designed that empower women to compete with men on a more equal footing all along the agricultural value chain – for example in accessing inputs, especially credit, and land; accessing training opportunities; participating in and providing leadership to farmers' organizations; operating as entrepreneurs; and building lasting careers in research, development and extension.

Youth in Agriculture

Since they account for 65% of the African population, it is clearly important to target youth in agriculture. However, negative attitudes towards agriculture discourage participation of African youth. Ways to ensure increased

involvement of youth in agriculture need to be identified in order to alleviate hunger and mitigate poverty. It was agreed that a specific forum for youth, sitting together with policy makers, should be organized for AGRF 2013.

Parliamentary Agricultural Committees

Initiatives to improve productivity must include legislation that creates an environment conducive for investment, promotes appropriate budgetary allocations, and ensures accountability and provides oversight. The private sector needs to come forward to actively engage with parliamentary select committees and members of parliament need to adopt a non-partisan approach to encourage governments to invest more in agriculture while also introducing policies that motivate the private sector to invest in agriculture.

More information concerning outcomes of AGRF 2012, the agreed areas for action, and periodic updates on progress with recommended actions can be found at www.agrforum.com.



2012 Financials

ALLIANCE FOR A GREEN REVOLUTION IN AFRICA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012

ASSETS	Note	2012 US\$	2011 US\$
Current Assets			
Cash and cash equivalents	2	78,881,913	45,238,747
Accounts receivable	3	1,528,290	1,612,229
Contribution receivables	4	2,622,022	-
Investments	5	<u>8,940,064</u>	<u>27,420,138</u>
		<u>91,972,289</u>	<u>74,271,114</u>
Non-Current Assets			
Investments	5	82,843,591	94,087,473
Intangible assets	6	25,549	44,328
Property and equipment	7	<u>1,883,484</u>	<u>1,534,650</u>
		<u>84,752,624</u>	<u>96,087,473</u>
TOTAL ASSETS		<u>176,724,913</u>	<u>170,358,587</u>
NET ASSETS AND LIABILITIES			
Current Liabilities			
Accounts payable and accruals	8	3,789,994	3,087,621
Contribution payables	9	9,125,032	127,916
AECF Grantees payables	10	884,000	-
Grants approved and due within 12 months	11	<u>84,721,031</u>	<u>68,253,614</u>
		<u>98,520,057</u>	<u>71,469,151</u>
Non-Current Liabilities			
Grants approved and due after 12 months	11	<u>25,788,311</u>	<u>19,367,252</u>
Net Assets			
Unrestricted	15	5,439,314	6,930,900
Temporary restricted	15	<u>46,977,231</u>	<u>72,591,284</u>
		<u>52,416,545</u>	<u>79,522,184</u>
TOTAL NET ASSETS AND LIABILITIES		<u>176,724,913</u>	<u>170,358,587</u>

The financial statements were approved by the Board of Directors on 17 May 2013
and signed on its behalf by:

.....
Director

.....
Director



Ernst & Young
Certified Public Accountants
Kenya-Re Towers, Upper Hill
Off Ragati Road
P.O. Box 44286 - 00100
Nairobi GPO - Kenya

Tel: +254 20 2715300
Fax: +254 20 2716271
E-mail: info@ke.ey.com
www.ey.com

**REPORT OF THE INDEPENDENT AUDITORS
TO THE DIRECTORS OF
ALLIANCE FOR A GREEN REVOLUTION IN AFRICA**

We have audited the accompanying financial statements of the Alliance for a Green Revolution In Africa (AGRA), which comprise the statement of financial position as at December 31, 2012, the statement of activities, statement of changes in net assets, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 6 to 64.

DIRECTORS RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with United States Generally Accepted Accounting Principles (US GAAP). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, proper books of account have been kept and the accompanying financial statements give a true and fair view of the state of affairs of Alliance for a Green Revolution in Africa as at December 31, 2012 and the results of its activities and statement of cash flows for the period then ended in conformity with United States Generally Accepted Accounting Principles (US GAAP) and applicable laws.

Nairobi

17-08-2013

Other Offices: NAKURU, MOMBASA.

P.M. Kamau, G.G. Karuri, J.K. Cheboror, A.S. Gitau,
P.N. Anchiga, C.O. Alinda, H.C. Wasike, G. Gilah

ALLIANCE FOR A GREEN REVOLUTION IN AFRICA
STATEMENT OF DIRECTOR'S RESPONSIBILITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

The accompanying financial statements and all the information in this financial report are the responsibility of management and are approved by the Board of Directors.

The financial statements were prepared in conformity with United States Generally Accepted Accounting Principles (US GAAP) and include amounts based upon our estimates and assumptions, as required. The financial statements have been audited by our independent auditors, Ernst and Young, who were given free access to all financial records and related data, including minutes of the meetings of the Board of Directors and Committees of the Board. We believe that our representations to the independent auditors were valid and appropriate. The significant accounting policies used are described in Note 1 to the financial statements.

Management maintains a system of internal controls designed to provide reasonable assurance as to the reliability of the financial statements, as well as to safeguard assets from unauthorized use or disposition. The system is supported by formal policies and procedures, including an active Code of Conduct program intended to ensure employees adhere to the highest standards of personal and professional integrity. Our internal audit function monitors and reports on the adequacy of and compliance with the internal control system, and appropriate actions are taken to address control deficiencies and other opportunities for improving the system as they are identified.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board of Directors carries out this responsibility principally through its Audit and Outcome Committee (AOC).

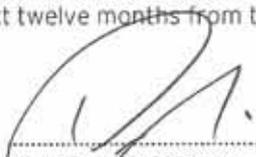
The Audit and Outcome Committee is appointed by the Board of Directors, and all of its members are independent directors. The Committee meets periodically with management, as well as with the internal and independent auditors, to discuss disclosure controls and procedures, internal controls over financial reporting, management information systems, accounting policies, auditing and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the financial statements, the management letter and the independent auditor's report. The Audit & Outcome Committee reports its findings to the Board of Directors for consideration when approving the financial statements. The Committee also considers, for review by the Board of Directors and approval the engagement or reappointment of the independent auditor, and reviews and approves the terms of its engagement as well as the fee, scope and timing of its services. Both our independent auditors and internal auditors have free access to the Audit and Outcome Committee and may meet with or without the presence of management.

Nothing has come to the attention of management to indicate that the Alliance for a Green Revolution in Africa will not remain a going concern for at least the next twelve months from the date of this statement.

Signed on behalf of Management by:

.....
Mrs. Jane Karuku
President

.....
Date


.....
Mr. Daniel Grimshaw
Vice President, Finance & administration

.....
17/5/13

ALLIANCE FOR A GREEN REVOLUTION IN AFRICA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012

ASSETS	Note	2012 US\$	2011 US\$
Current Assets			
Cash and cash equivalents	2	78,881,913	45,238,747
Accounts receivable	3	1,528,290	1,612,229
Contribution receivables	4	2,622,022	-
Investments	5	8,940,064	27,420,138
		<u>91,972,289</u>	<u>74,271,114</u>
Non-Current Assets			
Investments	5	82,843,591	94,087,473
Intangible assets	6	25,549	44,328
Property and equipment	7	1,883,484	1,534,650
		<u>84,752,624</u>	<u>96,087,473</u>
TOTAL ASSETS		<u>176,724,913</u>	<u>170,358,587</u>
NET ASSETS AND LIABILITIES			
Current Liabilities			
Accounts payable and accruals	8	3,789,994	3,087,621
Contribution payables	9	9,125,032	127,916
AECF Grantees payables	10	884,000	-
Grants approved and due within 12 months	11	84,721,031	68,253,614
		<u>98,520,057</u>	<u>71,469,151</u>
Non-Current Liabilities			
Grants approved and due after 12 months	11	25,788,311	19,367,252
Net Assets			
Unrestricted	15	5,439,314	6,930,900
Temporary restricted	15	46,977,231	72,591,284
		<u>52,416,545</u>	<u>79,522,184</u>
TOTAL NET ASSETS AND LIABILITIES		<u>176,724,913</u>	<u>170,358,587</u>

The financial statements were approved by the Board of Directors on 17 May 2013
and signed on its behalf by:

.....
Director

.....
Director



AGRA Grant Commitments

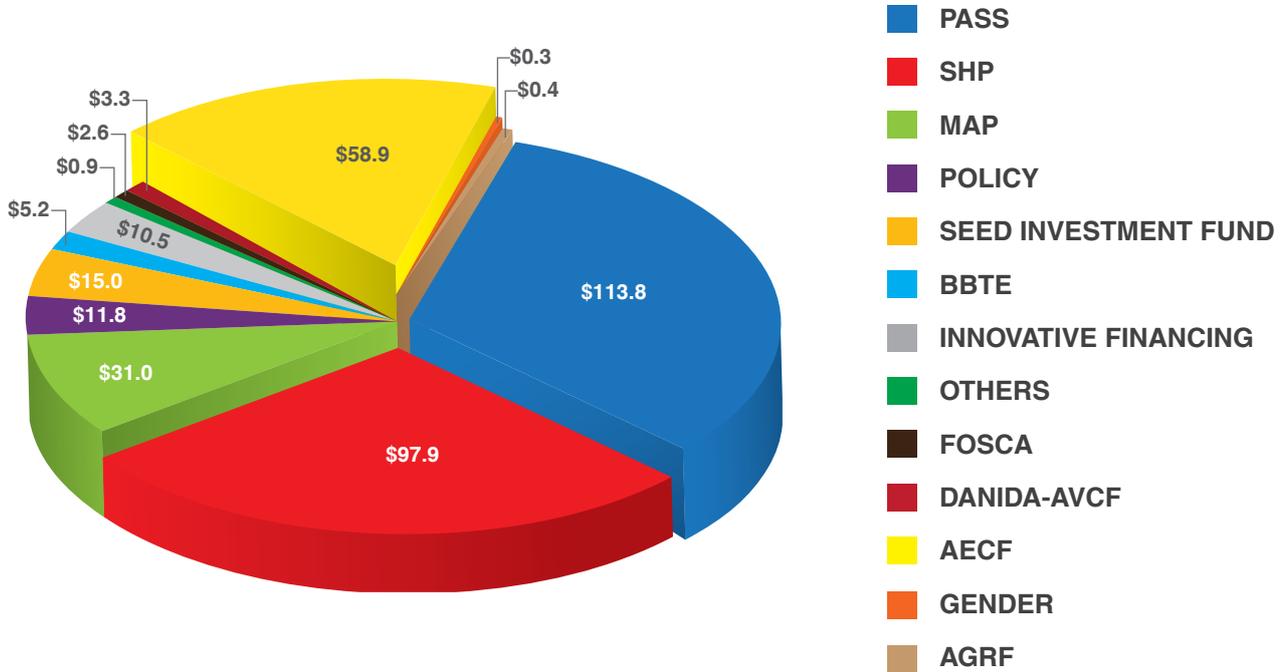
AGRA's investments are primarily in the form of grants to a variety of partners across the agricultural value chain, all sharing the same ultimate goal of improving the livelihoods of smallholder farmers. In 2012, we made US\$ 92 million in grants to research and learning institutions, small to medium sized agribusinesses, and various NGOs, among others. Over 40% of our 2012 grants were made to organizations in AGRA's priority one countries – Ghana, Mali, Mozambique and Tanzania. Grants made by our Soil Health and PASS Programs, coupled with the Africa Enterprise Challenge Fund (AECF), accounted for about 82% of AGRA's 2012 commitments.

Our cumulative grant commitments totaled US\$ 351.7 million through the end of 2012. The PASS program began its grant making in 2007 and has so far committed US\$ 113.8 million, or 32.3% of AGRA's investments. These investments span the seed value chain, from training future breeders and developing and releasing new varieties to increasing the number and capability of seed companies and agrodealers. Grants made by the Soil Health Program total US\$ 97.9 million to date (about 27.8% of the AGRA cumulative total) and include investments to scale out Improved Soil Fertility Management (ISFM) technologies, enhance

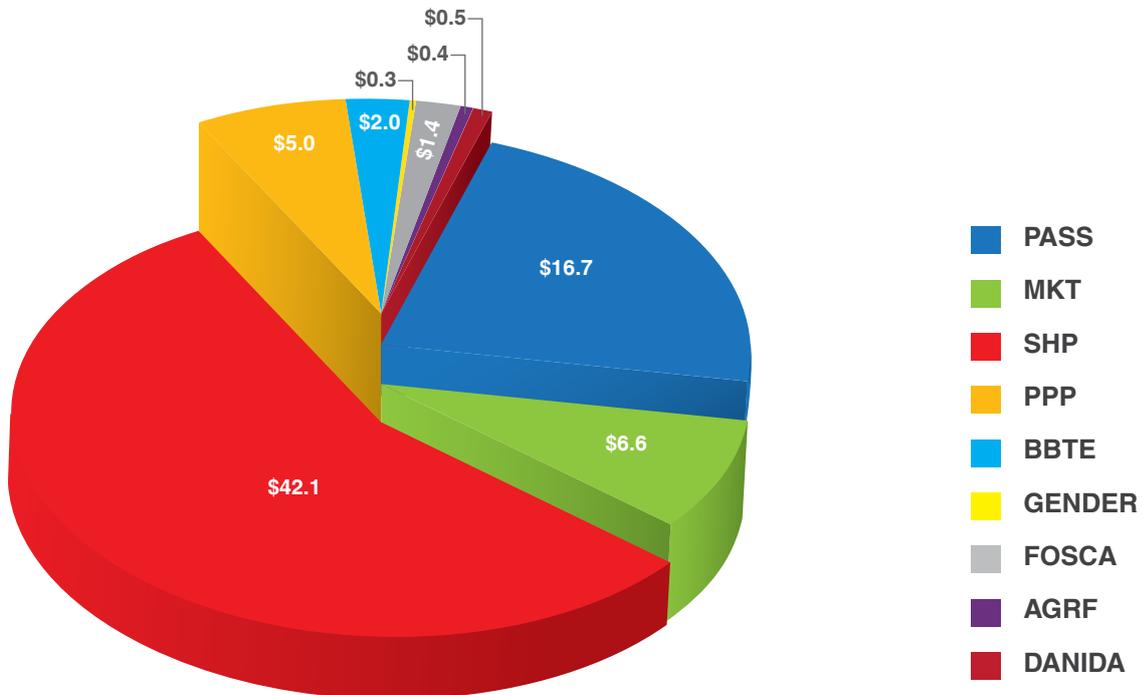
adaptive research, and improve the supply and quality of fertilizers available by strengthening agrodealer networks and quality control systems, as well as training soil scientists. The Market Access Program has committed US\$ 31 million in grants, or 8.8% of the total investments made by AGRA through 2012. These grants have focused on reducing post-harvest losses and improving storage facilities, strengthening farmer-based organizations, and linking purchasers to smallholder farmers. The Policy Program has made grants totaling US\$ 11.8 million so far, and its grant-making will continue to grow.

AGRA's Innovative Finance investments (US\$ 10.5 million so far) support risk-sharing facilities that are encouraging banks to lend to the agriculture sector, and are designed to leverage ten dollars for every one dollar invested by AGRA. AECF investments consist of challenge grants and repayable commitments to private sector actors with unique business solutions for improving markets in ways that benefit smallholder farmers. Total AECF investments to date add up to US\$ 58.9 million, or 16.7% of AGRA's cumulative grant commitments. In addition, in 2012 the Farmer Organization Support Centre in Africa (FOSCA), hosted by AGRA, invested US\$ 1.4 million in strengthening a number of farmers' organizations.

Cumulative Grant Commitments (USD millions)



2012 Grant Commitments (USD millions)





Principal Staff

As of December 31, 2012

CHAIRMAN'S OFFICE

Tesfai Tecele (Eritrea), PhD

Li Ling Low (Malaysia)

Advisor to the Chair (Geneva Office)

Administrative Officer (Geneva Office)

OFFICE OF THE PRESIDENT

Jane Karuku (Kenya), MBA

Namanga Ngongi (Cameroon), PhD

André Bationo (Burkina Faso), PhD

Richard Boadi (Ghana), LLM

Caroline Bwire (Kenya), BA

Isaac Gichohi (Kenya)

Amanda High (USA), MSc

Edwin Kamar (Kenya), MBA

Margaret Kamau-Biruri (Kenya), MPA

Diana Kimeria (Kenya), LLB

Dora Lumasia (Kenya), MBA

Akim Mbeche (Kenya) BA

Wambui Musalia (Kenya)

Ann Mureithi (Kenya), BA

Sylvia Mwichuli (Kenya), MBA

Judith Naibei (Kenya), BSc

Linda Odhiambo (Kenya), MA

Alma Redillas-Dolot (Philippines), BSc

President, joined on 16/04/12

President, left on 15/04/12

Senior Program Officer, Resource Mobilization

General Counsel and Secretary to the Board

Executive Officer, left on 14/11/12

Driver, President's Office

Head, Resource Mobilization

Internal Auditor

Program Officer, Resource Mobilization

Executive Assistant, Internal Audit Unit

Executive Assistant, President's Office

Graphics & Publications Assistant, Communications Unit

Program Assistant, Resource Mobilization & Innovative Finance

Executive Assistant, Communications Unit

Director of Communications and Public Affairs

Librarian, Communications Unit

Communications Specialist, left on 31/12/12

Head, Internal Audit Unit (on study leave from 01/08/12)

Office of the Vice President, Programs

Segenet Kelemu (Ethiopia), PhD

Franck Attere (Benin), PhD

Saran Diane (Mali) MSc

Bashiru Dokurugu (Ghana),

Anchilla Kitasha (Tanzania)

Vice President, Programs joined on 01/12/12

Country Officer, Francophone West Africa

Executive Assistant, Mali Country Office, joined on 15/02/12

Program Assistant, Ghana Country Office, joined on 16/05/12

Executive Assistant, Tanzania Country Office, joined on 21/08/12

Margaret Kroma (USA), PhD

Richard Mwanza (Malawi), MA

Program Officer, Gender

Program Officer, Program Support Unit; Country Officer Mozambique (moved to Mozambique on 01/10/12)

Joseph Shayo (Tanzania)

Driver, Tanzania Country Office, joined on 11/04/12

Namory Traore (Mali)

Driver, Mali Country Office, joined on 15/02/12

Policy

Steven Were Omamo (Kenya), PhD	Director, Policy, joined on 24/10/12
Augustine Langyintuo (Ghana), PhD	Senior Program Officer, Policy promoted on 01/03/12
Maria Mulindi (Kenya), MA	Associate Program Officer, left on 27/04/12
Linda Mwakugu (Kenya), MA	Program Assistant, Policy
Leon Konan N'Dri (Ivory Coast), PhD	Program Officer, Policy
Grace Obuya (Kenya), MA	Executive Assistant, Africa Green Revolution Forum
Evelyn Namubiru-Mwaura (Uganda) PhD	Program Officer, Policy, joined on 15/05/12
Liston Njoroge (Kenya), MBA	Research Analyst, joined on 03/01/12
Franklin Simtowe (Malawi), PhD	Program Officer, joined on 02/05/12
Nega Wubeneh (Ethiopia), MSc	Program Officer, Policy, (seconded to ATA, Addis Ababa)

Monitoring and Evaluation

David Ameyaw (Ghana), PhD	Director, Monitoring & Evaluation (M&E)
Samuel Amanquah (Ghana), MSc	Program Officer, M&E
Barbara Bamanya (Uganda), MSc	Senior Program Officer
Seth Abu-Bonsrah (Ghana), MPH	Program Officer, M&E
Aboubacar Diaby (Guinea), PhD	Program Officer, joined on 02/04/12
Susan Ndung'u-Mugo (Kenya), BA	Executive Assistant to M&E Director
Josephine Njau (Kenya), BA	Program Assistant, M&E
Jane Njuguna (Kenya), MSc	Program Officer, M&E
Emmanuel Rutsimba (Rwanda), MA	Program Officer, M&E

Program for Africa's Seed Systems (PASS)

Joseph DeVries (USA), PhD	Director, Program for Africa's Seed Systems (PASS)
Everlyn Anfu (Ghana), BA	Program Assistant
George Bigirwa (Uganda), PhD	Senior Program Officer, Seed Production & Dissemination
Jane Ininda (Kenya), PhD	Program Officer, Crop Improvement & Farmer Variety Adoption)
Issoufou Kapran (Ghana), PhD	Program Officer, Seed Production & Dissemination
Sheila Keino (Kenya), BA	Executive Assistant to PASS Director, left on 07/09/12
Rufaro Madakadze (Zimbabwe), PhD	Program Officer, Education & Training
Mulemia Maina (Kenya), BEd	Program Coordinator
Itai Makande (Zimbabwe), PhD	Program Officer, Field Services
Kehinde Makinde (Nigeria), PhD	Program Officer, Agro Dealer Development
Fred Muhhuku (Uganda), MSc	Program Officer, Agro Dealer Development; Country Officer, Tanzania
Mary Muthama (Kenya), BSc	Data Management Assistant, joined on 16/01/12
Susan Mwachi (Kenya)	Program Assistant, PASS
Sammy Okita (Kenya), MSc	Associate Program Officer, Commercialization, joined on 01/12/12
Regina Richardson (Ghana), MBA	Program Assistant, promoted to Associate Program Officer Commercialization on 15/11/12
Aboubacar Toure (Mali), PhD	Program Officer, Crop Improvement & Farmer Variety Adoption

Markets Access Program and Innovative Finance

Anne Mbaabu (Kenya), MSc	Director, Markets Access Program
Nixon Bugo (Kenya), MBA	Program Officer, Innovative Finance
Emma Kambewa (Malawi), PhD	Program Officer, Markets
Matiéyédou Konlambigue (Togo), MA	Program Officer, Markets
Wanjiku Njugi (Kenya), BA	Executive Assistant to Markets Director, left on 24/02/12
Stephen Njukia (Kenya), MSc	Senior Program Officer
Mellyne Ongang'o (Kenya), MBA	Program Coordinator
John Wakiumu (Kenya), MBA	Program Officer, Innovative Finance

Soil Health Program (SHP)

Bashir Jama (Kenya), PhD	Director, Soil Health Program (SHP) and Head of Accra Office effective 15/01/12
Caroline Adala-Oremo (Kenya), MEd	Executive Assistant to SHP Director, moved to Policy Unit on 09/05/12
Argent Chuula (Zambia), MBA	Program Officer, Fertilizer Business Development, left on 30/11/12
Rebbie Harawa (Malawi), PhD	Senior Program Officer, Soil Health Research & Extension promoted on 01/03/12
David Kimani (Kenya), MA	Program Analyst, joined on 01/11/12
Abednego Kiwia (Kenya), MPhil	Program Coordinator
Amatévi Klutse (Togo), MSc	Program Officer, Fertilizer Business Development, left on 31/07/12
Marie Rarieya (Kenya), PhD	Program Officer, Soil Health Training
Dorothy Shivere (Kenya)	Program Assistant – Soil Health
Mary Tekyi-Ansah Yaodze (Ghana), MA	Program Assistant

Farmer Organization Support Centre in Africa (FOSCA)

Fadel Ndiame (Senegal), MSc	Lead Coordinator
Pauline Kamau (Kenya), MBA	Program Officer for Service Providers (East and Southern Africa)
Mary Njoroge (Kenya), MEd, MSc	Program Officer, (M&E and Knowledge Management)
Olive Mogire (Kenya)	Program Assistant, FOSCA
Samuel Sey (Ghana), MSc	Program Officer for Service Providers (West Africa)

Operations Department

Daniel Grimshaw (USA), BA	Vice President, Finance & Administration, joined on 12/11/12
Kwame Akuffo-Akoto (Ghana), BSc, FCCA	Chief Operating Officer (COO), left on 31/12/12
Pamela Abuoga (Kenya)	Human Resources Assistant
Victor Agasiba (Ghana)	General Services Assistant
Beryl Ageng'o (Kenya)	Administrative Assistant

Irene Amoh (Ghana), BSc	Assistant Administrative Officer
Vuhya Amulyoto (Kenya), MBA	Human Resources and Administration Manager
Peter Boakye-Oduro (Ghana)	Driver/Office Assistant
Ebenezer Nii Amoo Bonney (Ghana)	Assistant Finance Officer
Johnson Bor (Kenya)	Communications Assistant
Esther Daud (Kenya)	General Services Assistant
Genevieve Kakrabah(Ghana), BSc	Executive Assistant
Esther Aninagyei-Yeboah (Ghana)	Communications Assistant
Eunice Kagiri (Kenya), BA	Grants Officer promoted on 01/08/12
Nancy Kedogo (Kenya)	General Services Assistant left on 15/05/12
Bridget Kiptanui (Kenya), BA	Financial Accountant
Sylvester Kisonzo (Kenya), MSc	Information Technology Services Manager
Angela Maina (Kenya), BSc	IT Support Technician
Mumbi Maina (Kenya), BSc	Grants Assistant, joined on 18/10/12
Salome Mirenja (Kenya)	Communications Assistant
Peter Muigai (Kenya)	Driver/Office Assistant
Emmy Mukhebi (Kenya), BCom	Financial Accountant
Ignatius Mutula (Kenya), MBA	Grants Manager
Jacinta Mwithaga (Kenya), BA	Grants Officer
Joseph Nambiro (Kenya), BA	Grants Assistant, joined on 10/09/12
Caroline Njeru (Kenya), MBA	Executive Assistant to the VPFA
Loice Njiru (Kenya), BEd	Systems Accountant
Duncan Obudho (Kenya)	Driver/Office Assistant
Anyona Obutu (Kenya)	Web Applications Officer, joined on 15/08/12
Jared Odhingo (Kenya)	Finance Manager
Kofi Osei-Bonsu (Ghana)	Driver/Office Assistant
Everlyn Owendi-Ezeoha (Kenya), BA	Administrative Officer
Viscard Ronoh (Kenya)	Protocol & Liaison Assistant
Benard Siro (Kenya), MBA	Accountant
Alex Frempong Tabi (Ghana), BA	Accra Office Manager

Special Initiatives

André Dellevoet (The Netherlands), MSc	Executive Manager – Africa Enterprise Challenge Fund (AECF)
Joan Abila-Oballa (Kenya), MBA	Executive Officer, AECF Unit
Wilson Doku (Ghana), MDM	Associate Program Officer, DANIDA Project
Hiroshi Hiraoka (Japan), PhD	Coordinator, Coalition for African Rice Development (CARD), left on 12/11/12
Takanori Satoyama (Japan)	Coordinator, Coalition for African Rice Development (CARD), joined on 29/10/12

