



AGRA

Sustainably Growing
Africa's Food Systems

Sustainably Growing Africa's Food Systems

AGRA's Five-Year Strategy



Partnership for Inclusive Agricultural Transformation in Africa (PIATA)

BILL & MELINDA
GATES foundation



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Executive Summary

Africa's food systems are in urgent need of transformation.

Most African countries lack the resilience for both the immediate global food crisis – spurred by the war in Ukraine – and the longer-term impacts of climate change and land degradation. Whilst African agricultural productivity increased by an average of 13% each year between 2015 and 2020, it is still the lowest in the world¹. To illustrate, 1 in 5 people in Africa were still malnourished in 2020², and the current fertilizer shortage creates further vulnerability. Severe land degradation is negatively impacting nearly half of all productive land on the continent³. By 2050, Africa's population is expected to grow to 2.5 billion people, putting further pressure on this land. Moreover, under the worst climate change scenarios, we can expect a 13% reduction of yields in West and Central Africa, 11% in North Africa, and 8% in East and Southern Africa⁴. As a result, it is predicted that climate change will increase the number of malnourished people in Africa by 25–95% by 2050⁵. Whilst there has been progress towards continental targets for zero hunger, this progress is slowing and most countries in Africa are unlikely to meet their commitments by 2030.

AGRA has continuously evolved to tackle the constraints affecting the livelihoods of Africa's small-holder farmers.

During 'AGRA 1.0' (2006–16), we focused on building the systems for agricultural transformation. We strengthened sector leadership by training over 800 PhD and MSc graduates. We increased the supply and distribution of improved inputs by supporting the production of nearly 600,000 Mt of seeds. We enhanced farmer awareness of good agronomic practices by training 5.3 million farmers on integrated soil fertility management. We strengthened post-harvest practices and marketing, supporting the sale of nearly 700,000 Mt of commodities. From our first 10 years of work, we learnt that agricultural transformation requires an integrated delivery approach across an ecosystem of partnerships and centered in country commitment.

Sources

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3. Thornton, P. Recalibrating Food Production in the Developing World: Global Warming Will Change More Than Just the Climate. CCAFS Policy Brief no.6 (CGIAR Research Program on Climate Change), 2012
4. <https://unfccc.int/news/climate-change-is-an-increasing-threat-to-africa>
5. <https://www.ilri.org/news/climate-change-africa-what-will-it-mean-agriculture-and-food-security>
6. USAID, BMZ, Bill and Melinda Gates Foundation, Rockefeller Foundation and the UK (FCDO)
7. The African Union Comprehensive African Agricultural Development Programme

With AGRA 2.0 (2017 – 2021), we began designing and scaling models for transformation with a deliberate shift to collaborating with national governments. We facilitated 42 policy reforms, supported 11 national flagships, and mobilized \$1.4 billion investment into the sector. We recruited and trained 33,000 Village-Based Advisors (VBAs) and supported 9,000 agro-dealers. As a result of our efforts, a majority of AGRA-supported farmers have adopted improved agronomic practices, with 75% of farmers adopting fertilizer use, 48% of farmers adopting improved seed, and 60% of farmers adopting improved post-harvest management practices. However, we learnt that with external pressures, growing challenges for the rural economy, and worsening hunger, we need to adopt a sustainable food systems approach that takes into account all elements, relationships, and related effects within our food systems, and which intentionally integrates nutrition, climate change resilience, and inclusivity into all of our work. AGRA is therefore committed to continuous learning and evolution based on its quest for African solutions for African challenges.

We recognize the need to become more targeted in our approach, sharpening our focus around national priorities which have strong support and momentum. We have learnt that these priorities must be tackled through an integrated approach, as strength in policy reform must be matched by implementation capacity. Finally, we have seen amplified impacts where we have realized synergies in our work, such as those created by our investments in our VBAs, who have leveraged their trusted relationships with farmers to start selling inputs, and our initiatives to strengthen last mile delivery systems. Going forward, we will double down on specific opportunities where our work can be mutually reinforcing.

AGRA has been working within an innovative Partnership for an Inclusive Agricultural Transformation in Africa – PIATA⁶ – which has mobilized resources, coordinated joint action, and focused on learning the best approaches for addressing the deep-rooted challenges facing the continent. We will continue to serve as a focal point bringing committed actors together to serve our shared vision.

AGRA invests in laying the foundation for a sustainable food systems-led inclusive agricultural transformation.

We have shown how laying the right building blocks helps food systems function sustainably and inclusively. Government policies need the right strategy and design, and they need to be implemented well. Businesses need to recognize growth opportunities and have the confidence, financing, and capabilities to serve farmers, trade produce, and process food profitably. Farmers need access to appropriate, affordable technologies for producing resilient, quality crops and a fair chance to benefit from the fruits of their labor. Everyone needs to participate in markets that not only enable the efficient flow of physical goods, but also the right flow of information for buyers and sellers to find each other. These are the basic building blocks of any sustainable food system, yet in many countries, they are flawed or missing altogether.

Fixing individual building blocks is not enough. Improving inputs production or distribution is critical, but it will not necessarily lead to more inclusive growth opportunities for farmers, stronger output markets, or more sustainable and nutritious food options. The only way to transform the food system is to invest in the right foundation, with a holistic view of all the food system building blocks. This gives actors across the value chain the confidence to build on top. As with any ambitious building project, tackling this is not a solo endeavor. We support African governments and collaborate closely with the private sector and farmers to develop a shared vision of what to build together, and which building blocks need to be laid, fixed, or replaced to get there.

In our next phase of work, we will demonstrate our catalytic power for laying the foundations for an inclusive agricultural transformation. Through our **policy and state capability** work, we will support governments to create an enabling environment for private sector involvement in agricultural transformation. Our focus on **seed systems** will enable us to “trigger” higher productivity through improved seeds, thus improving the pathway to higher incomes and better food security. Our **sustainable farming** business line will ensure farmers are building resilient farming systems which enable them to sustain their improved yields. We will support partners to sustain improved yields through interventions including the improved use of mechanization and irrigation. On the other side, our work in **inclusive markets and trade** will help to build a “pull” factor bringing farmers and businesses into a positive, sustained cycle of commercialization and reinvestment. We will also make targeted investments

reflecting a holistic view of food systems needs. To promote **inclusivity**, we will adopt intentional strategies to eliminate the barriers to participation for women and youth, enabling them to contribute to – and benefit from – agricultural transformation. To promote **climate change adaptation**, we will equip farmers and strengthen food systems to absorb and recover from shocks. To promote **nutrition**, we will focus on diversifying crops and ensuring the widespread availability of nutritious foods.

Collectively, these investments focused on systemic change will help to build a sustainable food system. AGRA will be accountable for its programme delivery to its partners. It will also contribute to the continental agenda, through the Malabo CAADP framework. This will include support for specific CAADP targets of **zero hunger, improved nutrition, climate adaptation, and ending poverty**.

AGRA will work in close collaboration with others to ensure that our collective investments contribute to a sustainable food system. We will work closely with **Africa Enterprise Challenge Fund (AECF)**, our subsidiary, and other key strategic programme partners to achieve impact and to maximize value. We will hold ourselves accountable for our joint delivery, and we will measure our progress against the shared objectives of the Malabo CAADP framework.

AGRA’s vantage point and position enables us to guide this building process.

We **catalyze** change at scale by homing in on high-impact interventions which unlock binding constraints for farmers and businesses. We have strong **connections** across the agriculture sector which enable us to bring together and coordinate actors, knowledge, and resources. We have **credibility** as an African-led and Africa-centric institution, opening doors to provide guidance to the highest levels of African leadership. We have **cross-sectoral** capabilities which enable us to bridge the priorities and activities of public, private, and development sectors. We serve as a means to channel a shared vision and **commitment** to agricultural transformation, having dedicated ourselves since 2006 to working with a consortium of development partners who support our mission on the continent.

In this strategy, with our partners we intend to support up to 28 million farmers across 15 countries in sub-Saharan Africa to lay the foundations for a food systems-led agricultural transformation.

Our targets

This investment will enable AGRA and our partners to catalyze widespread change across the ecosystem. Our vision is to contribute to the transformation of Africa's food systems, and thus we have set ambitious targets across our countries and areas of work. Our ambition is grounded within our developing results framework and depends on strong strategic partnerships with other key actors, full funding, and alignment with the leadership of the governments we support.

Inclusive Agricultural Transformation



2 ZERO HUNGER



Zero Hunger

3 GOOD HEALTH AND WELL-B



Improved Nutrition

1 NO POVERTY



End to Poverty

13 CLIMATE ACTION



Climate Adaptation

Empower and build resilience of smallholder farmers

Support inclusive markets to improve agricultural systems

Build state capability to sustain agricultural transformation

15

Focus countries

28M

Farmers targeted with our partners

12

Countries supported to develop strategies and investment plans for food system transformation pathways

\$3BN

Leveraged by governments for NAIPS and flagships supported by AGRA

\$300M

Invested through AGRA platforms to enhance market actor competitiveness

10

Country seed system strengthened

30%

Targeted farmers adopt sustainable farming practices

25%

Increase in revenue for supported women-led SMEs

40%

Targeted farmers adopt nutrient-dense or climate-smart crop varieties





African leaders, civil society, farmers and private sector know that agriculture remains our biggest opportunity to realize inclusive economic growth, employment opportunities, good health, and food and nutrition security for the African continent.

H.E. Hailemariam Dessalegn, Former Prime Minister of Ethiopia, Chair of the Board of Directors of AGRA

Letter from the Chair

Fifteen years after AGRA's founding, much has been achieved across the African continent in agriculture. Many countries have been able to strengthen investments and the policy environment for Agricultural Systems. Now, more than ever, the agriculture sector has been making crucial contributions to development. AGRA has played a crucial role, walking every step with its partners, supporting leadership, technology, soil health, seeds, and private sector investment.

Yet in 2022, many challenges remain, compounded by the commodity price crisis emerging from COVID-19, amplified by the Russia-Ukraine conflict. As the Intergovernmental Panel on Climate Change (IPCC) has shown us, the scientific evidence of the impact of climate change is unquestionable. It threatens gains already won and demands a strong and coherent response. These challenges have shown the vulnerability of our food systems to international shocks and supply chain disruptions and demonstrate the urgency of finding change and transformation.

African leaders, civil society, farmers and private sector know that agriculture remains our biggest opportunity to realize inclusive economic growth, employment opportunities, good health, food and nutrition security for the African continent. Rapidly rising demand for food, driven by population and income growth, provides huge opportunities for agri-food systems to accelerate employment creation, boost continental trade and resilience, and transform African economies.

The new food systems framework presents an opportunity for African countries to realize a shared ambition for the continent. The UN Food Systems Summit, held in September 2021, set the stage for global food systems transformation to achieve the Sustainable Development Goals by 2030. It offered a crucial platform for stakeholders to change how our food is produced, stored, processed, transported and consumed.

AGRA has embraced the global shift to food system thinking in order to support and catalyze action towards 2030. This journey will need widespread change – to find the right policies and investments that will transform agriculture, food and rural economies.

AGRA's new strategy seeks to contribute to SDGs 1 and 2 targeting poverty reduction, zero hunger, good nutrition, and equitable livelihoods. This commitment by AGRA is firmly embedded in the strategy through the new AGRA vision, "To contribute to a functional and sustainable food system across Africa to reduce hunger, improve nutrition, and adapt to climate change".

Working with the private sector, civil society institutions, and development partners in the African agricultural landscape, AGRA remains committed to supporting African governments in the achievement of continental ambitions, including the African Common Position to transform Food Systems, Malabo Declaration commitments, and related indicators from the Comprehensive Africa Agriculture Development Programme (CAADP) and, critically, intra-African trade through the African Continental Free Trade Area (AfCFTA).

In confronting this challenge, AGRA works within the innovative Partnership for Inclusive Agricultural Transformation in Africa. Joined by five key development partners (Bill and Melinda Gates Foundation, the United Kingdom FCDO, Germany's BMZ, USAID, and Rockefeller Foundation) we can and must learn, catalyze change, and build capacity. I am most grateful for their partnership and support.

AGRA is committed to smallholder farmers. They play a key role in growing Africa's food systems and transforming the agriculture sector. They are supported by a consortium of partners who share a common vision. Let us think differently and make the dream a reality together.

H.E. Hailemariam Dessalegn, Former Prime Minister of Ethiopia, Chair of the Board of Directors of AGRA



Our 2023–2027 Strategic Plan sets out to catalyze the growth of sustainable food systems across Africa by influencing and leveraging partners to build a robust enabling environment where the private sector thrives, and smallholders are empowered to produce sufficient, healthy food whilst building resilience and managing the effects of climate change.

Dr Agnes Kalibata, President, AGRA



Letter from the President

Over the last decade, the African continent has made good progress in agricultural transformation resulting in notable enhancements in food security. However, these have been slowed down and, in some instances, undermined by the ever-changing external environment, as seen with the Fall Army Worm, desert locust attacks, and droughts in Eastern Africa, floods in Southern Africa, COVID-19, climate change, and the recent war in Ukraine. The State of Food Security and Nutrition in the World 2022 indicates that hunger is expanding the fastest in Africa compared to other places and the continent is expected to be home to more than half of the world's chronically hungry by 2030.

It is against this backdrop that we have aimed our new strategy towards building the resilience of African countries against emerging global shocks and stresses and the longer-term impacts of climate change and land degradation, as well as focusing on the nutrition needs of the continent. AGRA played a leading role at the UN 2021 Food Systems Summit in support of African countries adopting a common approach towards building sustainable food systems. Our 2023–2027 Strategic Plan sets out to catalyze the growth of sustainable food systems across Africa by influencing and leveraging partners to build a robust enabling environment where the private sector thrives, and smallholders are empowered to produce sufficient, healthy food whilst building resilience and managing the effects of climate change. We also have sharper intentionality around the inclusion of women and youth, with a focus on participation, voice and agency, and a deliberate focus on contributing to improved nutrition and incomes.

AGRA will support governments to design, execute and monitor effective evidence-based policies and programs that contribute to the attainment of their development goals to create jobs and prosperity. AGRA is committed to catalyzing agricultural and food systems transformation needed to accelerate the achievement of the Malabo Declaration commitments and related indicators from the Comprehensive Africa Agriculture Development Programme (CAADP).

The level of investment required to achieve the goal of transforming Africa's food systems is enormous, which AGRA or Afri-

can governments alone cannot fulfill. It is, therefore, imperative to leverage the power of the private sector through partnerships and the creation of a strong enabling environment. The private sector, particularly SMEs and farmer organizations, will also be critical for us as they provide a key link between the demand and supply sides of value chains. In addition, the private sector offers significant contributions to the agricultural sector through direct investments. In support of this, we shall provide data and analytics to our partner governments to guide policy development and to ensure easier and more effective participation of the private sector. Finally, AGRF will remain a premier forum and platform for forming partnerships, and we shall continue to leverage it.

AGRA, working with our partners, will deliver the strategy through integrated delivery of four main business lines and ensure that our interventions are inclusive, encouraging participation of women and youth, and responsive to climate change and adaptation, as well as the nutrition needs of the continent.

AGRA intervenes at the national level to tackle specific constraints in agricultural systems and to drive impact at scale for Africa's smallholder farmers. We remain a learning organization committed to understanding not only what we have accomplished, but to honest and humble assessment what we can do better. We shall use the evaluations of the past year and the current bridge year to incorporate key lessons as we pressure-test our thinking, sharpen our approach, and maximize our potential impact on farmers.

To support the execution of the strategy at country level, AGRA is developing country strategies that consider their existing challenges, lessons from their past, and their progress to date towards agricultural transformation. We have consulted extensively with various stakeholders, taking into account the existing initiatives of government, private sector, civil society, and development partners to avoid duplication of efforts, leverage what they are already doing, and direct our investments into complementary catalytic areas that can trigger large-scale changes.

Dr Agnes Kalibata, President, AGRA

Who are we?

AGRA is a proudly African-led institution focused on scaling agricultural innovations that help smallholder farmers towards increased incomes, better livelihoods, and improved food security.

We understand that African farmers need uniquely African solutions to the environmental and agricultural challenges they face, enabling them to sustainably boost production and gain access to rapidly growing agricultural markets. In short, AGRA's mission is to transform the lives of smallholder farmers – from that of a

solitary struggle for survival to a business that thrives.

Since 2006, we have worked with our partners – governments, non-governmental organizations, private sector businesses, and more – to deliver a set of proven solutions to smallholder farmers and indigenous African agricultural enterprises. We put smallholder farmers first on the agenda, recognizing that no country has moved from low income to middle income without agricultural transformation.

Our Value Proposition: The 5 Cs



Achievements, Lessons, and Evolution

AGRA 1.0: Laying the Foundation for Agricultural Transformation for Africa (2006–16)

During AGRA 1.0, we followed a program-based approach, focusing on three main areas:

AGRA 1.0



1 We offered training and capacity building for agricultural experts and researchers, building the capacity of agricultural institutions



2 We promoted seed diversification by strengthening seed breeding and marketing and supporting seed companies



3 We supported agricultural SME development, with a focus on strengthening retail networks for the distribution of agricultural inputs

We made significant strides towards providing farmers with access to inputs, training, financing and markets.



Strengthened research capacity

>800 PhD and MSc graduates trained, some of whom are now leading national agricultural institutions



Improved research and development

562 new seed varieties released



Increased input production

Supported the creation of 125 seed companies and production of ~600,000 MT of seeds



Enhanced awareness of sustainability

5.3M farmers trained on integrated soil fertility management



Improved adoption

1.46M hectares cropped with ISFM



Strengthened post-harvest, and marketing practices

~700,000 MT of commodities sold to SMEs at a value of US\$364M

We learned a number of valuable lessons from our operations in AGRA 1.0 that we incorporated into AGRA 2.0, and which will continue to inform our approach going forward:



Integrated approach

Agricultural transformation requires an integrated delivery approach across an ecosystem of partnerships



Government commitment

Country commitment – vision, leadership, execution – is at the heart of accelerated transformation



Partnerships

Resources are not always the constraint – how existing players work together in partnerships



Functional systems and markets

Input technologies require functional downstream systems and markets to drive adoption



Concert with others

The challenges of the continent require working in concert with others to support governments who hold responsibility for national development



AGRA 2.0: Working towards Inclusive Agricultural Transformation (2017–21)

In AGRA 2.0, we expanded our work to focus on tackling binding constraints at the farmer level, at the national level, and within agricultural systems.

AGRA 2.0



1 We strengthened governments' implementation capabilities, enhancing their capacity to spearhead agricultural transformation and deliver on their mandates



2 We enhanced the enabling environment for inclusive agricultural transformation to encourage public and private sector investment



3 We strengthened delivery systems by targeting market failures which stymied extension, inputs, distribution, and output markets



4 We developed partnerships for scale to ensure we were leveraging the resources and expertise of others in the sector



During AGRA 2.0, we built on our achievements during our first 10 years, strengthening government capacity and agricultural systems and helping farmers adopt good agronomic practices and technologies.



Enhanced government capacity to lead transformation

11

national flagships supported

US\$1.4BN

investment mobilized for NAIPs and flagships

US\$141M

additional value and investments through partnerships

42

policy reforms implemented



Encouraged adoption of good agronomic practices

75%

farmers adopted fertilizer use

49%

farmers adopted improved seed

60%

farmers adopted post-harvest practices



Strengthened agricultural systems

33K

VBA's recruited and trained

9K

agro-dealers supported

123K MT

seeds sold

9K SMES

directly supported

US\$359M

loans leveraged via financial inclusion investments



In our 2023–2027 Strategic Plan, we shall continue to build on the previous lessons from AGRA 1.0 whilst also incorporating a number of lessons from AGRA 2.0:

1. With external pressures on the rise, hunger increasing, and worsening challenges for rural economies, we will adopt a sustainable food systems lens which considers all elements, relationships, and related effects within the food system for people, the planet, and prosperity
2. We will become more targeted in our approach, sharpening our focus around national priorities for which there is support and momentum
3. We will double-down on the areas of our work where we have seen synergies, addressing key food system constraints where our work may be mutually reinforcing
4. We will take a more integrated approach to tackling national constraints, recognizing that strength in policy reform must be matched by implementation capacity
5. We will increase our emphasis on markets and inclusive finance as a pull factor for agricultural production and productivity
6. We will intentionally integrate nutrition, climate change resilience, and inclusivity into all our work
7. We will enhance our MEL strategy to include comprehensive impact and performance measurement, a continuous learning and knowledge management structure, and a strong data infrastructure
8. We will continue to encourage countries to pursue adaptive research, supporting our partners to invest in human capital and to adopt the latest evidence and knowledge in designing policies and programs
9. We will work closely with our PIATA partners to learn from the experience of working together in the last five years and adopt more innovative approaches to helping governments achieve their CAADP and Sustainable Development Goal targets.



STRATEGIC PLAN

The continent has, in recent years, taken steps towards inclusive agricultural transformation resulting in notable improvements in food security, with clear progress across all of AGRA's focus countries. However, with over 20% of Africans still suffering from hunger, we need to accelerate our progress and mitigate against the growing external pressures of conflict and climate on our food systems.

Our 2022-2030 Strategic Framework (SF2030) demonstrates our long-term vision for how we intend to contribute to, and align with, global and continental priorities, applying a food systems lens towards the goals of

zero hunger, improved nutrition, an end to poverty, and climate adaptation.

We have split our Strategic Framework 2030 into two 5-year strategies so that we have a clear mid-way point to evaluate progress and re-route our strategic focus if necessary. Our 2023-2027 Strategic Plan sets out to catalyze the growth of sustainable food systems across Africa by influencing and leveraging partners to build a robust enabling environment where the private sector thrives, and smallholders are empowered to produce sufficient, healthy food.

Vision, Mission, and Strategic Objectives



VISION:

To contribute to a food system-inspired inclusive agricultural transformation across Africa, to reduce hunger, improve nutrition, and adapt to climate change



MISSION:

To catalyze the growth of sustainable food systems across Africa by influencing and leveraging partners to build a robust enabling environment where private sector thrives and smallholder farmers are empowered to produce sufficient, healthy food



Empower and build the resilience of smallholder farmers



Support the development of inclusive markets and finance to strengthen agricultural systems



Strengthen state capability to sustain agricultural transformation

Theory of Change

AGRA's Theory of Change demonstrates our pathways to achieving impact for smallholder farmers across Africa. It describes how we leverage our delivery model to achieve this through different business lines and cross-cutting areas. It describes how our actions translate to longer-term outcomes and how we contribute to the broader continental agenda through our work.

To achieve our vision, mission, and strategies objectives, we have prioritized four interlinked business lines to catalyze agricultural transformation.

1. Our Policy & State capability business line reflects our understanding that agricultural transformation cannot be achieved without clear government leadership. We support governments to develop clear policies and strong capabilities that create the enabling environment for private sector involvement in agricultural transformation.
2. Our Seed Systems business line is a continuation of our work to drive crop productivity via seeds, understanding that seeds are a critical "trigger point" to improving incomes and food security.
3. Our Sustainable Farming business line ensures that farmers are building resilient farming systems which enable them to sustain improved yields, and profit from them.
4. Our Inclusive Markets & Trade business line focuses on strengthening viable and inclusive local and regional agri-food markets, acknowledging this is a critical "pull" factor for farmers and businesses to enter a positive, sustained cycle of commercialization and reinvestment.

In this way, our business lines are fundamentally interconnected and positively reinforce one another. Going forward, we will double-down on the areas of our work where we have seen strong synergies, and targeting opportunities for one business line to reinforce the achievements of another.

We have prioritized three cross-cutting areas which are critical to ensuring that agricultural transformation is inclusive and reflective of broad food system needs.

1. Across every area of our work, AGRA recognizes an

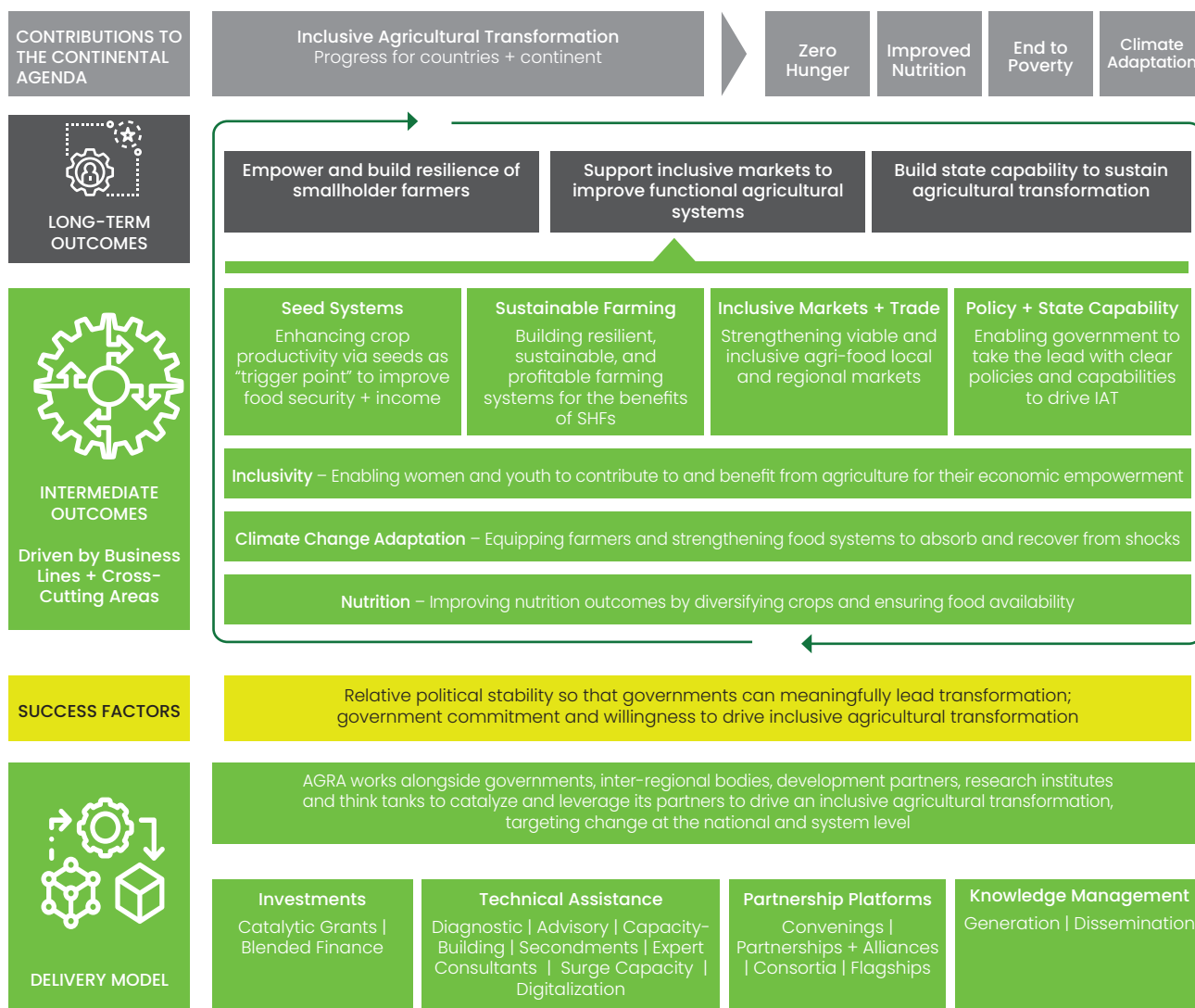
urgent need for intentional inclusivity. Women and youth face structural barriers across the food system that we must deliberately tackle. Our inclusivity work adopts intentional strategies to eliminate the barriers to participation for women and youth, enabling them to contribute to – and benefit from – agricultural transformation.

2. "Business as usual" will not be enough in the face of climate change. Efforts to intensify agricultural productivity must be complemented by commitment to preparation, protection, and restoration. Our climate change adaptation work equips farmers and strengthens food systems to absorb and recover from shocks.
3. Sustainable food systems not only produce enough food, but the right nutritional content as well. Our nutrition work strives to improve nutritional outcomes – both for farmers and for the wider population – by diversifying crops and ensuring the widespread availability of nutritious foods.

Collectively, these investments in systemic change will help to drive the virtuous circle of a sustainable food system and contribute to specific targets within the continental agenda:

1. We will help drive zero hunger, as improved yields support on-farm food security, and stronger markets enable better access and affordability for all consumers.
2. We will contribute to improved nutrition as we drive production of higher-quality, healthier food by supporting crop diversification, biofortification, and safer post-harvest handling.
3. We will work towards reducing poverty as more profitable farms and improved off-farm livelihoods boost employment, entrepreneurship, and incomes.
4. Finally, we will contribute to climate adaptation as the adoption of sustainable farming practices create more resilient farmers and helps to protect our ecosystems.

Theory of Change



Seed Systems

Seed systems are the “backbone” of sector research, quality assurance, extension, and distribution. They are the trigger point to create more productive, commercial farmers able to shift to more sustainable farming practices.

Whilst seeds systems have improved across the continent, remaining constraints mean demand continues to outstrip supply in every one of AGRA's focus countries. In most contexts, women farmers are being left behind in terms of adoption of improved seed. For example, AGRA's 2021 Farmer Outcome Survey showed that in Ghana, adoption of AGRA-promoted improved rice varieties was 55% for men but just 14% for women. Furthermore, across the continent, adoption

of more diverse, nutrient-dense, and climate-smart crop varieties remains low. Our 2021 Farmer Outcome Survey showed that adoption of stress-tolerant maize varieties ranged from 1% in Mozambique to 25% in Burkina Faso.

AGRA intends to build **strong, efficient and robust seeds systems** that give farmers **timely and affordable access to appropriate, quality varieties** with traits for better yields and pest and disease tolerance. We will work with global research institutions and universities to ensure that African countries benefit from the latest scientific knowledge and technologies – and they are brought to market.

AGRA intends to build strong, efficient and robust seeds systems that give farmers timely and affordable access to appropriate, quality varieties with traits for better yields and pest and disease tolerance.



AGRA will **strengthen national seed systems** by enhancing government and private sector support for seeds and building a stronger seed policy and regulatory framework



AGRA will **enable higher, more inclusive farmer access to and adoption of seed** by increasing availability of EGS and improved seed, improving extension services, and enhancing the capacity of the extension and input distribution system



AGRA will **enable higher adoption of diverse, nutrient-dense, and climate-smart crop varieties** by enhancing variety turnover, developing strong quality control for improved seed, and offering advisory on diverse, nutrient-dense, climate-smart varieties



AGRA will **identify and pursue opportunities generated from CESSA and SeedSAT** that enable us to bring our relationships and resources to bear across the seed system

AGRA will **identify, validate, and catalyze sustainable farming models which tackle policy and systemic constraints.**



AGRA will **strengthen governments' framework for sustainable farming** by promoting sustainable farming at the national level and enhancing implementation of sustainable farming strategies



AGRA will **drive higher and inclusive farmer adoption of sustainable farming practices** by improving extension advisory on sustainable farming, and enhancing the capacity of extension and input distribution systems and delivery partners



We will **improve farmer preparation for, and resilience to, shocks** by developing stronger early warning systems and risk reduction measures

Sustainable Farming

Sustainable farming practices ensure farmers can sustain and improve their yields – resulting in greater profitability.

Africa is currently not well set up to adopt sustainable farming, and uptake of practices is low amongst smallholder farmers. Readiness varies greatly by country, land degradation is high and accelerating, and climate change threatens yields. Evidence suggests that farmer resilience to shocks is generally low with AGRA's 2021 Farmer Outcome Survey revealing that the percentage of target farmers who had a low or very low self-perceived ability to deal with shocks ranged from 21% for rice farmers in Burkina Faso to 86% for maize farmers in Rwanda.

African agriculture is predominantly rainfed and climate change is causing erratic rainfall patterns across the continent. It is crucial for Africa to develop irrigation systems and increase water use efficiency, while being mindful of some of the adverse impacts of irrigation such as depletion of aquifers, soil salinity and leaching.

Rural poverty is driving the migration of young people to the cities. The average age of farmers on the continent is often over 50 years – many of whom are women with limited access to productive resources. There is a clear role for mechanization in increasing land and labor productivity and ensuring the timely execution of seasonal farm activities.

AGRA will **identify, validate, and catalyze sustainable farming models which tackle policy and systemic constraints.** This will enable farmers to adopt sustainable farming practices and, as such, achieve and sustain higher yields and profitability whilst increasing their **adaptation and resilience** and care for the environment. Recognizing the importance of irrigation and mechanization in increasing productivity and mitigating the impact of climate change, AGRA will work with resource and technical partners who have a comparative advantage in these areas.

AGRA will tackle systemic constraints in access to finance and market and trade institutions in order to build strong agri-food markets and trade at the domestic, regional and continental level.



AGRA will **develop inclusive market systems** by shaping markets based on consumer demands and increasing local processing capacity for safe and nutritious foods



AGRA will **facilitate stronger intra-African agricultural and food trade** by reducing search and transaction costs and improving predictability and transparency



AGRA will **enhance market actor competitiveness** by enhancing market access, improving market actor access to finance, and enhancing capacity and incentives for agri-food system actors

Inclusive Markets & Trade

A well-functioning private sector will help to drive farmers and businesses into a cycle of commercial growth and reinvestment.

The enabling environment for agricultural trade is relatively weak across the continent, with limited evidence of recent progress. High food price anomalies, an indicator of weak agricultural and food trade, can be seen across the majority of African countries, which experienced more food price anomalies in 2019 than in 2014. Furthermore, there is evidence of low market actor competitiveness as seen in our SME Performance Score in 2020, which revealed that aggregators, traders, and processors were weak across all focus countries. Lack of credit in the agriculture sector prevent the ability of these market actors to invest and grow. As a percentage of total credit flows in 2018, agriculture accounted for just 16.9% of credit in Zambia, and as low as 1.5% of credit in Rwanda.

AGRA will tackle **systemic constraints in access to finance and market and trade institutions** in order to build strong agri-food markets and trade at the domestic, regional and continental level. This will help ensure that **increased on-farm productivity is matched by post-harvest “pull” opportunities** for aggregators, traders, and processors, as well as the **access to finance** required to pursue these opportunities.



AECF is a development finance institution operating under the aegis of AGRA, as a fully owned subsidiary. Since 2012, the institution has developed strong ability and capacity to support the private sector across the African continent, with particular expertise in emerging markets and specialization in agriculture and renewable and clean technologies. AECF mobilises investment funding for early-stage innovative enterprises, provides technical assistance to build the capacity of the companies that it finances, and engages policy and advocacy support to influence the enabling environment in the markets where it works.

AECF and AGRA see good opportunity to strengthen their operational relationship during the next strategic period. Our effectiveness in the ongoing Seeds for Impact programme has provided both organizations with a strong understanding of impactful ways to leverage our respective advantages. In pursuing greater cooperation between the two institutions, and as AGRA looks at how to better de-

liver its next strategy, AECF and AGRA will collaborate in the following areas:

- Designing, implementing and monitoring financing mechanisms for the private sector in the inclusive markets and trade business line of AGRA's strategy;
- Designing and implementing technical assistance using both existing instruments such as the AECF Studio but also custom capacity building systems and tools
- Co-generating research and proposals for financial support on private sector engagement in African agricultural systems
- Collaboration on the development of effective results measurement mechanisms and the generation of common performance metrics where feasible.

Policy & State Capability

A committed, capable state with the right policies, programs, and incentives is a critical scaling partner for inclusive agricultural transformation and helps to attract private sector investment.

Despite recent improvements across the continent, the enabling policy environment for agriculture remains weak. Whilst most AGRA countries outperformed the continental average for CAADP progress between 2017 and 2021, most also fell short of the 2021 target. Institutions are weak across the continent resulting in low capacity for planning, implementation, and monitoring and evaluation. Furthermore, commitment to the agriculture sector is insufficient. AGRA estimates the funding gap for agricultural transformation in sub-Saharan agriculture is between US\$23 billion and US\$31 billion every year. An urgent and concerted effort is required to raise government spending, increase catalytic funding from multilateral and bilateral

institutions, and catalyze greater investments from the private sector.

We will build on our credibility and track record in improving policy and state capability to further **strengthen governments' ability to lead** the sector towards inclusive agricultural transformation. Our recommendations will be built on the latest cutting-edge scientific research, acknowledging that evidence based agricultural policies and programs have always shown the greatest chance of success. We will use our **position as an honest broker** to convene and coordinate in the sector, and we will target our investments towards **better data and M&E tools**, as well as selective opportunities to boost **implementation capacity**. As such, we will **support governments to form clear policies, programs, and capabilities** for tackling systemic bottlenecks in the sector.

We will build on our credibility and track record in improving policy and state capability to further strengthen governments' ability to lead the sector towards inclusive agricultural transformation



AGRA will **help governments to improve their enabling policy environments** by improving evidence-based policy reform, policy implementation, and investment prioritization



AGRA will **increase commitment to the agriculture sector** by improving flagship design and investment advisory



Through the Centre for African Leaders in Agriculture, AGRA will **improve state implementation capacity** by improving government planning, accountability, and delivery, and improving sector coordination



AGRA will continue to work with governments and pan-African institutions to **further progress on the CAADP Malabo Declaration targets** and countries' performance in the Biennial Reviews

Our intentional approach on inclusivity



AGRA will **enhance the development of more inclusive policies and institutions** by encouraging governments to build a stronger enabling environment for women and youth



Through Generation Africa and related initiatives, AGRA **will increase work opportunities for youth** by encouraging youth participation in high-value markets and trade



Through Value4Her, we will **improve access to, and provision of, critical services, inputs, mentoring, and networks for women-led SMEs**, as well as supporting them through initiatives to reduce barriers in the broader ecosystem

Inclusivity (Women & Youth)

AGRA recognizes the pivotal role of women and youth in agricultural transformation and is committed to achieving an inclusive agricultural transformation. To achieve our goals, we will take a systematic, deliberate approach to tackling exclusionary norms and barriers.

Women across the continent experience lower employment in agriculture and 20–30% lower yields than men. In addition, women-led agri-SMEs experience 20–34% lower business profitability versus male-led agri-SMEs. Likewise, despite their growing share of most sub-Saharan African populations, youth participation in agriculture is low. For example, in Burkina Faso and Nigeria, just 2% of youth are engaged in agriculture.

AGRA will adopt an intentional approach to inclusivity, **systematically identifying and tackling gendered constraints and intentionally investing in the performance and potential of women-led farms and businesses**, as well as the entrepreneurial and employment capacity of youth in agriculture.





Our intentional approach on climate adaptation



AGRA will **strengthen partnerships in support of countries' efforts to integrate climate strategies** by increasing the importance of climate change resilience at the national level and enhancing implementation of climate change resilience strategies and policies



AGRA will **prepare farmers to be ready for climate adaption** by improving extension advisory on climate change resilience and improving capacity of delivery partners to tackle climate change



We will **increase farmers resilience to short-term shocks** by building stronger early warning systems and risk reduction measures

Climate Change Adaptation

"Business as usual" will not be enough for climate change adaptation: neither countries nor farmers are prepared. We need widespread a commitment to preparation, protection, and restoration.

Africa accounts for just 3.8% of greenhouse gas emissions globally. However, the continent is the most highly exposed to the impacts of climate change. We are starting to see its effects in temperature changes, with most of the continent experiencing a 1-degree Celsius rise since 1901. If the continent warms by 2 degrees Celsius by 2050 – within IPCC projections – crop yields across sub-Saharan Africa will reduce by 10%.

AGRA will improve the adaptation of agri-food and farming systems to climate change so that smallholder farmers can increase their resilience to shocks. We will integrate a climate change adaptation and mitigation strategy into all areas of work, primarily delivered through our business lines, each of which focuses on critical elements of the food system that must prepare for, and adapt to, climate change. This will include drought-resistant crop varieties, protective and regenerative farming practices, the leveraging of market mechanisms to trade climate-friendly goods as well as carbon financing to shaping government policy and investments.

Our intentional approach on nutrition



AGRA will encourage the development of policies to promote improved nutrition by building a stronger nutrition policy and regulatory framework and improving state capacity for nutrition-sensitive agriculture



AGRA will increase the production of diverse, nutrient-dense varieties, and biofortified seeds by enhancing knowledge of nutrition and increasing supply of bio-fortified inputs



AGRA will promote increased crop diversification at the farm level by diversifying the production system

Nutrition

We recognize that food security is a necessary goal, but our food must meet nutritional needs.

Malnourishment is high and growing in a number of African countries. Within AGRA's focus countries, the undernourished population increased in Mozambique, Kenya, Rwanda, and Tanzania between 2009 and 2019. Despite continuous efforts, stunting is yet to be fully tackled in most countries on the continent. The prevalence of stunting for under 5s between 2009 and 2019 was as high as 42.3% in Mozambique and 40.9% in Malawi.

AGRA will shift its focus **beyond productivity and food security**, recognizing that nutrition-sensitive interventions are required throughout our food systems. This shift has strong synergies with the other areas of our work and, indeed, can only be delivered through effective interventions in seed systems, sustainable farming, and government engagement. AGRA will strengthen partnerships towards improving farmer and consumer nutrition outcomes by **diversifying crops** and **ensuring the availability**



AGRA's Results Framework

To ensure we hold ourselves accountable and drive continuous improvement, AGRA is adopting a results-based and impact-driven approach to track and report on our programmatic activities and our contributions to the continental agenda. Our new approach will enable us to collect, analyze, manage, report, and disseminate data and information to assess the outcomes and impacts of our activities, and determine whether these have been achieved cost effectively. This will help to improve organization and program efficiency, effectiveness, and sustainability.

The system will capture the progress, success, and failures of different grants, inform management decision-making processes, provide accountability to AGRA and its stakeholders, and contribute to broader knowledge and learning in the field of agriculture for development. In this way, AGRA's MEL system will be built to better serve the needs of the organization, its resource partners, focus governments, and the wider

agricultural community across the continent.

AGRA's MEL system will be primarily based on a systems intervention approach. It will articulate our impact, outcomes, intermediate outcomes for each business line, and intermediate outcomes for each cross-cutting area. This approach will ensure we track and measure AGRA's priorities in each business line to understand how what AGRA has changed in different agricultural systems has contributed to broader changes in the respective system's health, and in turn what impact this is having at a farmer, system, national, and continental level.

AGRA's overall results are expected to contribute to the AU CAADP Framework 2025 as well as to Sustainable Development Goals to eliminate poverty and hunger.

The following diagram is an indicative display of AGRA's high level results framework, which is under development at the time of writing, for completion by Q4 2022.

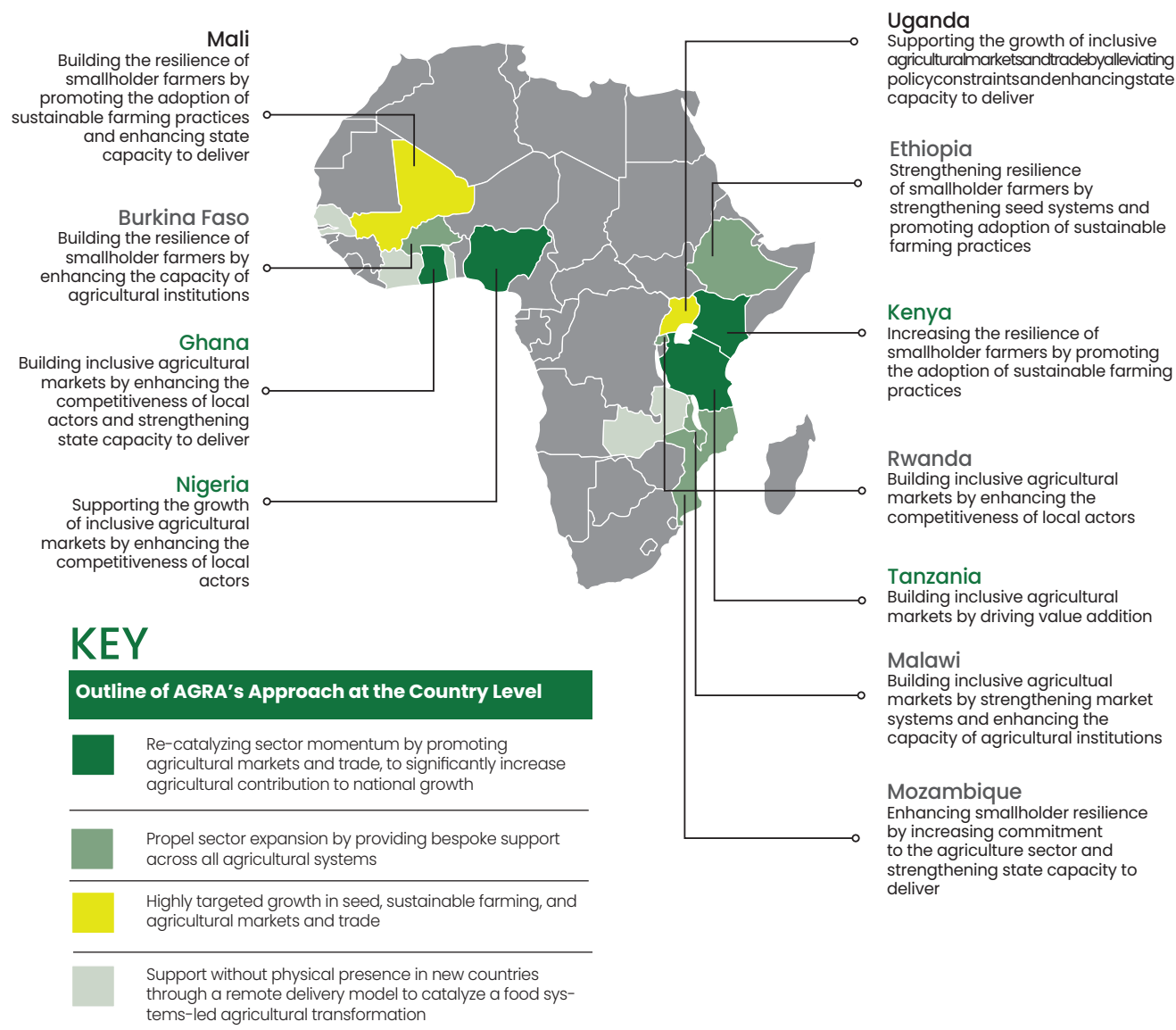


Goal: More Resilient, Productive and Food Secure Smallholder Farmers

	Inclusive Markets + Trade	Seed Systems	Sustainable Farming	Policy + State Capability
Objectives	Obj. 1: Increased value of farmgate sales Obj. 2: Overall enhanced and inclusive market systems Obj. 3: Improvements in volumes of domestic and intra-African trade	Obj. 4: Increased adoption of diverse, nutritious, and climate-smart seeds Obj. 5: More functional seed systems	Obj. 6: Improved productive capacity in the face of climate shocks Obj. 7: Stronger national sustainable farming frameworks Obj. 8: Improved soil health/ environment	Obj. 9: Improved enabling policy environment to support agricultural transformation
Outcomes	Outcome 1: Enhanced production of inputs, outputs, products Outcome 2: Policy reform more conducive to inclusive trade and improved food systems	Outcome 3: Increased farmer awareness of seed varieties Outcome 4: Increased value of production certified seed (including nutritious and climate-smart)	Outcome 5: Increased adoption of sustainable farming inputs and practices Outcome 6: Strengthened delivery of sustainable farming and other inputs	Outcome 7: Increased state capacity Outcome 8: Increased government and regional investment in agriculture and food systems
Intermediate Outcomes	1.1: Smallholder farmer aggregation groups increase in number and market power 1.2: Stronger linkages between SMEs, financial institutions and governments 1.3: More access to capital (especially for women-owned SMEs) 1.4: Enhanced knowledge and skills to respond to markets among SMEs and agri-food industries 1.5: Expansion of input and output market actors 2.1: Change in policy knowledge/incentives among government officials 2.2: Improved quality and grades needed to access market and trade	3.1: Increased extension/ VBA knowledge of improved varieties (including nutritious and climate-smart) 4.1: Better seed company understanding of seed demand, and skills in marketing distribution and QC 4.2: Improved linkages between NARS and seed companies 4.3: Improved seed company access to financing 4.4: Increased government and private sector investment in the seed sector 4.5: Increased govt understanding of gaps/needs 4.6: Better regulatory environment (QC and production) 4.7: Improved phytosanitary conditions 4.8: Increased supply of breeder and EGS seed 4.9: Increased number of varieties increased	5.1: Extension officer and VBA knowledge and skills improve 5.2: Extension officers and VBAs deliver enhanced trainings 5.3: Increased agrodealer knowledge of sustainable farming products (e.g. climate-smart seed) 5.4: Increased agrodealer access to finance and seeds 6.1: Increased focus on SF via policies, frameworks and platforms	8.1: Improved cross-sector coordination 8.2: Increased human capital/skills among officials 8.3: Increased availability of data to inform agricultural policy 9.1: Evidence generated for policy reform 9.2: New policies and regulations developed and passed 9.3: Policy implementation strengthened 9.4: National flagships developed and executed 9.5: Regional/continental bodies have better information, capacity and incentives
Cross Cutting	Inclusivity Outcomes: 9: Improved implementation of policies that promote inclusion of women and youth 10: Increased job opportunities for youth 11: Increase in profitability for women-led SMEs	Climate Outcomes: 12: Improved national climate strategies 13: Increased farmer readiness for climate adaptation 14: Increased farmer resilience for climate shocks	Nutrition Outcomes: 15: Improved policies aiming to improve nutrition 16: Increased production of nutrient-dense crop varieties 17: Increased crop diversification and adoption of nutrient-dense varieties	

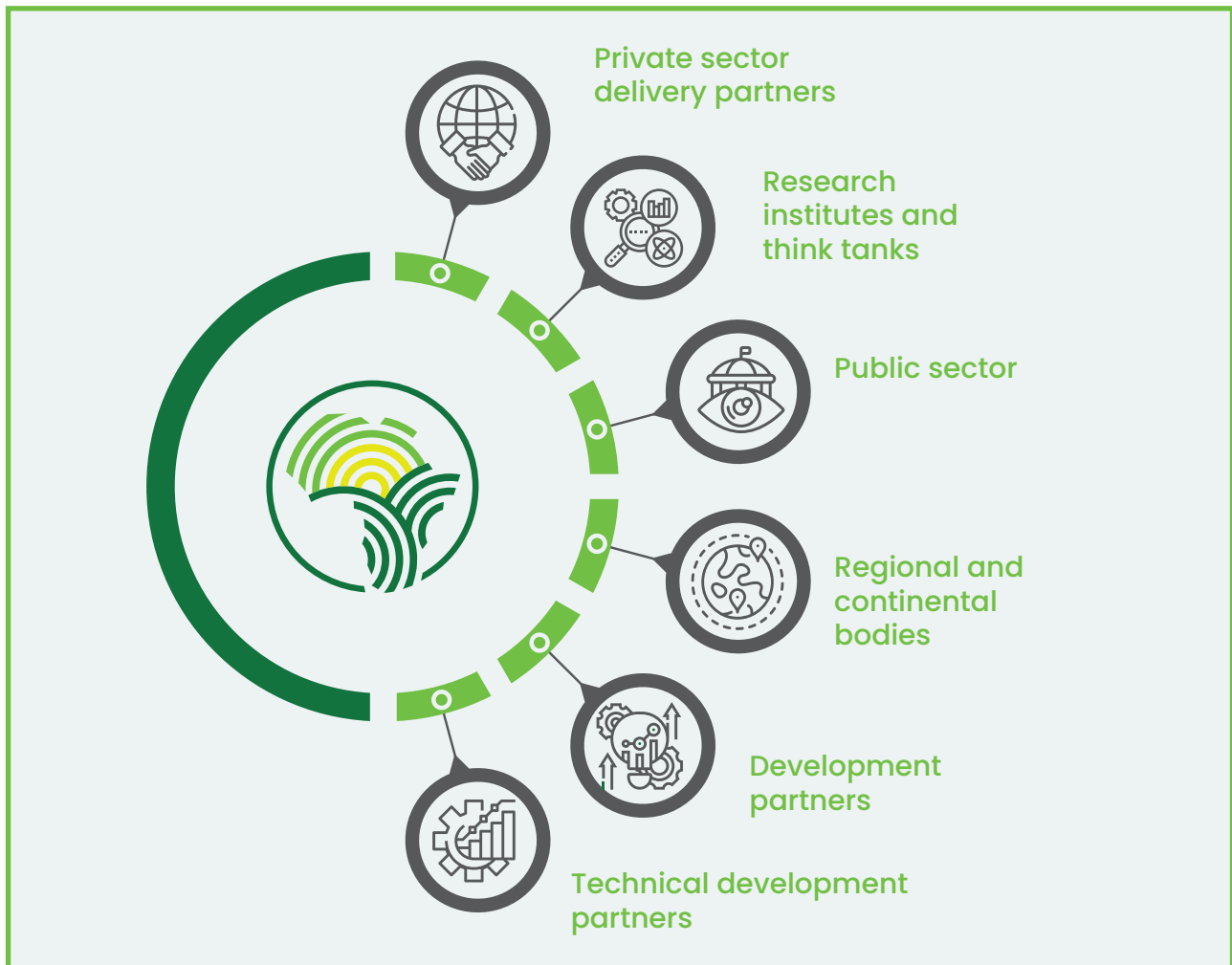
Country Portfolio

We will focus our efforts in countries where needs and priorities align closely with our strengths and capabilities, whilst demonstrating that scalable change in food systems can be catalyzed across varying country contexts. We undertook extensive research and in-country consultations to ensure a collaborative and complimentary approach to inclusive agricultural transformation. We will continue to work closely with governments and partners to achieve our shared objectives.



Delivery Model

AGRA is an alliance, and our partners are central to our approach to drive change. We are but one in a wide ecosystem of partners driving an inclusive agricultural transformation in Africa.

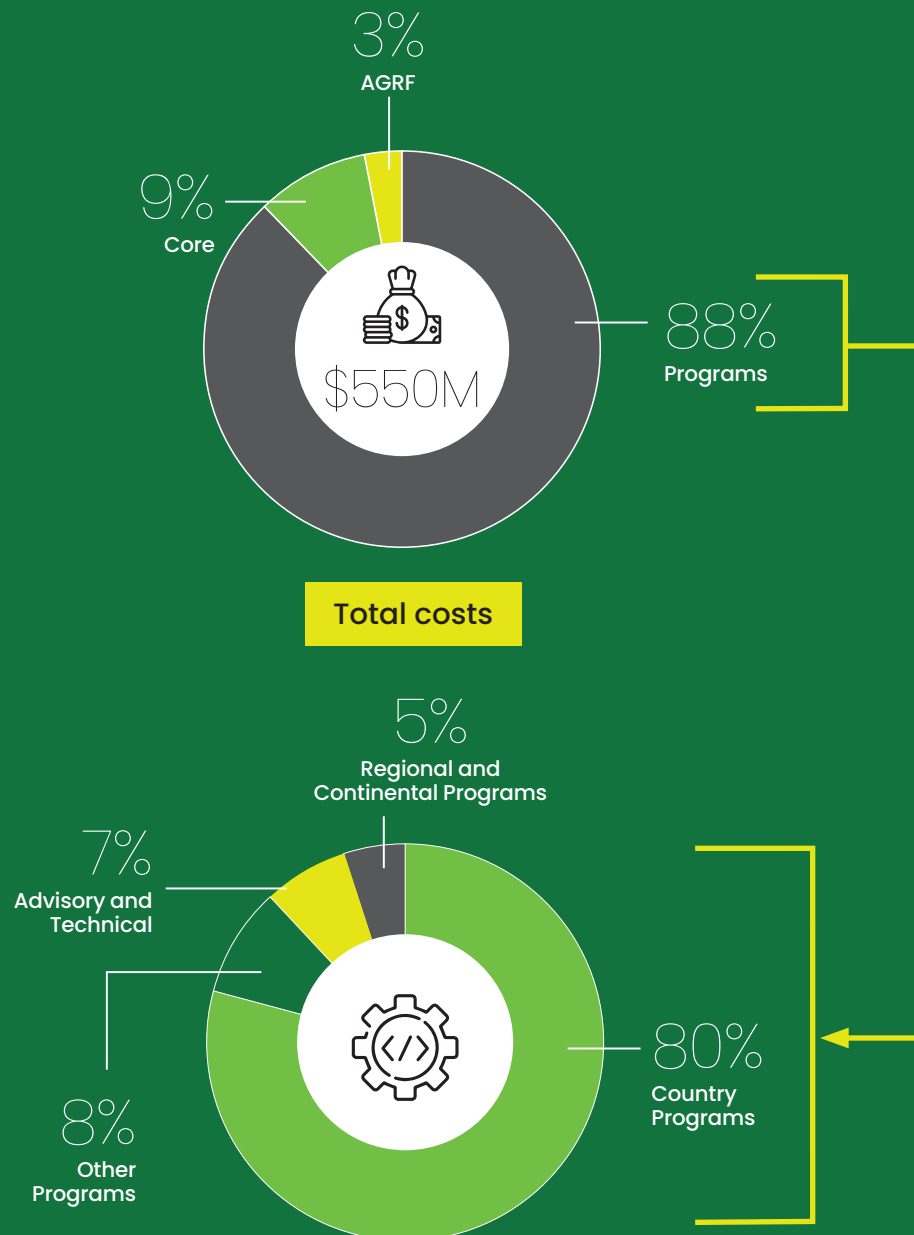


Our approach is to identify areas where we could have catalytic impact on the sector, and to then form partnerships that enable this systemic change. We adopt different tools - including grants, funding, technical assistance, and convenings - depending on the needs of each partner and the support required on the ground.

We will have a bespoke delivery model in each country, depending on the areas of investment and our partners' strengths and capabilities. We will evolve our country delivery model to consider where we need an on-the-ground presence, and where it is possible to influence without AGRA presence.

Financial Model

AGRA will require US\$550M to deliver its 2023–2027 strategic plan; the majority of this investment is program costs spent at the country level









AGRA

Sustainably Growing
Africa's Food Systems

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