



G8 COOPERATION FRAMEWORK TO SUPPORT

# The “New Alliance for Food Security and Nutrition” in Ghana



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Three years after the G8 Summit at L’Aquila, Italy, the international community recognizes the importance of food security to development, inclusive economic growth and the dignity of all women and men. In that spirit, we welcome the success of the Comprehensive Africa Agriculture Development Program (CAADP) in demonstrating African ownership and leadership, its call for expanded public and private investment in agriculture and desire to build on the progress that African governments have made in advancing a vision for agricultural development in Africa.

Ghana is making great strides in public-private partnership in agricultural growth, exemplified by the development of its Ghana Commercial Agriculture Program. This strategic investment blueprint is a model for inclusive and strategic collaboration among government, donors and the private sector. Together, the Government of Ghana and the G8 members, commit to the “New Alliance for Food Security and Nutrition” and to working together to generate greater private investment in agricultural development, scale innovation, achieve sustainable food security outcomes, reduce poverty and end hunger. As partners, we commit ourselves to the following principles and actions:

### **Support of CAADP Country Compacts**

The G8 members, consistent with commitments made at L’Aquila, reaffirm their intention to align their agricultural financial and technical support with the priorities of the CAADP National Investment Plan for Agriculture and Food Security (referred to in Ghana as the Medium Term Agriculture Sector Investment Plan or METASIP), in such a manner as to accelerate implementation of the METASIP and in conjunction with commitments made by the Government of Ghana. Consistent with the foregoing, the G8 members recognize the value of predictability of donor activities including financial and technical support over a sustained period of time, as set out in Annex 2.

The G8 members intend to provide support within the agriculture sector to accelerate implementation of the METASIP, including through the Grow Africa platform, with the overall goal of facilitating increases in private investment and scaling innovation. The G8 members intend to engage the relevant agencies of their member governments and also to bring to bear appropriate enabling actions to accelerate progress in the areas of finance and markets, science and technology, and risk management. To address the underlying causes of food insecurity, the G8 members intend to focus key resources and other contributions on high-priority, high-impact investments within the METASIP and in particular on the development of the

Government of Ghana's priority area of the Savannah Accelerated Development Authority region of northern Ghana and other deprived areas.

### **Key Policy Commitments**

The Government of Ghana intends to pursue the policy goals set out below in order to build domestic and international private sector confidence to increase agricultural investment significantly, with the overall goal of reducing poverty and ending hunger.

The Government of Ghana intends to improve incentives for private sector investment in agriculture, in particular, taking actions to facilitate inclusive access to and productive use of land; developing and implementing domestic seed regulations that encourage increased private sector involvement in this area; and supporting transparent inclusive, evidence-based policy formulation (see Annex 1).

The Government of Ghana reaffirms its intention to provide the human and financial resources and the mechanisms for dialogue with the private sector, farmers and other stakeholders, and across government ministries that are required for the achievement of tangible and sustainable outcomes, the acceleration of Ghana's development, and the delivery of tangible benefits to smallholder farmers, including women.

The Government of Ghana reaffirms its commitment to mainstream nutrition in all food security and agriculture-related programs.

### **Private Sector Engagement**

Private sector representatives have communicated that they intend to invest in the agriculture sector in Ghana in support of the CAADP National Investment Plan for Agriculture and Food Security (the METASIP), through in Letters of Intent that they will prepare and execute, and intend to advise, shape, and participate in broad, inclusive and sustained private sector consultative mechanisms with the host government (see Annex 3).

### **Shared Responsibilities**

The G8 members, the Government of Ghana and the private sector, confirm their intention to take account of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security ("the Voluntary Guidelines") adopted by the Committee on World Food Security in May 2012, as well as the Principles of Responsible Agricultural Investment (PRAI) produced by several international organizations and endorsed by among others, the G8 and G20, which are undergoing a consultative process through the Committee on World Food Security on PRAI. In addition, they intend to work

together specifically to develop pilot implementation programs for the Voluntary Guidelines and the PRAI in Ghana.

### **Coordination and Collaboration**

Recognizing existing arrangements for division of labor between the Government of Ghana and development partners, G8 members intend to coordinate their efforts with the aim of attaining greater effectiveness. The co-chair of the Ghana agriculture sector working group (currently the Government of the United States of America) intends to serve as a lead interlocutor with the host country, private sector, and other stakeholders on behalf of the G8, working through existing in-country consultation groups and structures<sup>1</sup> without setting up parallel or duplicative structures. The G8 and Government of Ghana welcome the participation of other countries and partners.

### **Results**

Consistent with the New Alliance goal of improving food security and nutritional status by helping 50 million people in sub-Saharan Africa emerge from poverty by 2022, the participants intend their combined actions in Ghana to help 1.3 million people emerge from poverty.

### **Mutual Accountability**

The G8 members, the Government of Ghana, and the private sector intend to review their performance under this document through an annual review process to be conducted within the existing broader CAADP-donor Joint Sector Review of METASIP implementation. These participants intend, in particular, to review progress toward jointly determined objectives on the basis of jointly determined benchmarks in contributing to fulfillment of Ghana's CAADP investment plan:<sup>2</sup> (1) progress towards achieving the poverty reduction target; (2) G8 member commitments to align their agricultural investments to the Government of Ghana's METASIP; (3) Government of Ghana's progress in implementing its policy commitments and consulting with private-sector investors; and (4) the investment commitments of private-sector investors. The review will also take account of the shared responsibilities related to the Voluntary Guidelines and the PRAI.

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<sup>1</sup> This includes the National Development Planning Deprived Areas Working Group and the Savannah Accelerated Development Authority (SADA), set up to coordinate and accelerate development in the North of Ghana.

<sup>2</sup> Including other private sector engagement and investment plans drawn up by the Savannah Accelerated Development Authority specifically for the North of Ghana.



## Annex 1: Government of Ghana Key Policy Commitments

| <b>Policy Indicators</b> <ul style="list-style-type: none"> <li>❖ Improved score on Doing Business Index</li> <li>❖ Increased \$ value of new private-sector investment in the agricultural sector</li> <li>❖ % increase in private investment in commercial production and sale of seeds</li> </ul> |                                                                                                                                                                                                                                                                                                                                                                                                    |                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <b>Objective</b>                                                                                                                                                                                                                                                                                     | <b>Framework Policy Actions</b>                                                                                                                                                                                                                                                                                                                                                                    | <b>Timeline</b> |
| <i>Establish policy that enables the private sector to develop, commercialize, and use improved inputs to increase smallholder productivity and incomes</i>                                                                                                                                          | 1. Regulations developed to implement the new seed law, specifically: <ul style="list-style-type: none"> <li>• Seed registry system established.</li> <li>• Protocols for variety testing, release and registration, authorization to conduct field inspections, seed sampling, and seed testing developed.</li> <li>• Standards for seed classification and certification established.</li> </ul> | June 2013       |
|                                                                                                                                                                                                                                                                                                      | 2. New agricultural input policy for fertilizer and certified seed use developed that includes: <ul style="list-style-type: none"> <li>• Clearly defined role of government in fertilizer and seed marketing;</li> <li>• Clearly defined role of government's CSIR and Grains &amp; Legumes Board; and</li> <li>• Defined role of private sector in breeding.</li> </ul>                           | December 2013   |
| <i>Create a secure investment climate for investors by reducing transaction costs and risks</i>                                                                                                                                                                                                      | 3. Database of suitable land for investors established*                                                                                                                                                                                                                                                                                                                                            |                 |
|                                                                                                                                                                                                                                                                                                      | • 1,000 ha registered                                                                                                                                                                                                                                                                                                                                                                              | December 2013   |
|                                                                                                                                                                                                                                                                                                      | • 4,500 ha registered                                                                                                                                                                                                                                                                                                                                                                              | December 2014   |
|                                                                                                                                                                                                                                                                                                      | • 10,000 ha registered                                                                                                                                                                                                                                                                                                                                                                             | December 2015   |
|                                                                                                                                                                                                                                                                                                      | 4. Pilot model lease agreements** for 5,000 ha of land in database established.                                                                                                                                                                                                                                                                                                                    | December 2015   |
| <i>Support transparent, inclusive, evidence-based policy formulation process based on quality data and sound evidence that leads to increased investment in agriculture</i>                                                                                                                          | 5. Clear procedures to channel investor interest (including that related to value-added agricultural processing) to appropriate agencies*** completed.                                                                                                                                                                                                                                             | December 2013   |
|                                                                                                                                                                                                                                                                                                      | 6. New Ghana Agricultural Production Survey (GAPS) stood up:                                                                                                                                                                                                                                                                                                                                       |                 |
|                                                                                                                                                                                                                                                                                                      | • Piloted data release                                                                                                                                                                                                                                                                                                                                                                             | July 2012       |
|                                                                                                                                                                                                                                                                                                      | • 2nd phase completed                                                                                                                                                                                                                                                                                                                                                                              | September 2013  |
|                                                                                                                                                                                                                                                                                                      | • New national agriculture survey data released                                                                                                                                                                                                                                                                                                                                                    | May 2014        |
|                                                                                                                                                                                                                                                                                                      | 7. Private sector representatives of key grain value chains appointed to the MOFA Post Harvest Committee.****                                                                                                                                                                                                                                                                                      | December 2013   |

\* This database is essentially a 'land bank' but in the Ghanaian context it's a land database. In the case of land under traditional ownership, due diligence and sensitization of surrounding communities will promote an understanding of the rights and obligations from subsequent lease agreements.

\*\*For outgrower schemes, contract farming, etc.

\*\*\* To provide a transparent and structured way for investors of all types to avoid extra transaction costs and need to reduce their perceived risk of approaching government to manage access to, and security of land.

\*\*\*\* This is a recommendation made by the private sector. This committee establishes the floor price for the National Buffer Stock Company (NAFCO)

## **Annex 2: G8 Members' and Others' Funding Intentions<sup>3</sup>**

G8 Members and others express their intentions in support of CAADP investment plans and the goals of the New Alliance for Food Security and Nutrition in a flexible manner.

### **UNITED STATES OF AMERICA (2012 G8 SUMMIT LEAD)**

Annual funding tranches in the sector of agriculture, subject to availability of funds:

- 2011: 45 million USD
- 2012: 45 million USD
- 2013: 45 million USD
- 2014: 45 million USD
- 2015: 45 million USD

Total multi-year funding: 225 million USD over five years subject to funding availability.

### **CANADA**

- 2012-2013: 36 million CDN (35.96 million USD)
- 2013-2014: 19 million CDN (18.98 million USD)
- 2014-2015: 16 million CDN (15.98 million USD)

Total multi-year funding: 71 million CDN (70.92 million USD) to food security programming over the next three fiscal years (Canada's fiscal year is from April 1<sup>st</sup> to March 31<sup>st</sup>)

### **FRANCE**

Contributions in the sectors of agriculture, food security, rural development and nutrition are subject to availability of funding, demand by the governments as well as private firms concerned and confirmation of their commitments by all relevant stakeholders and could reach the following amount:

- 2012-2015: 76.25 million EUR (100 million USD)

### **GERMANY**

Commitments for agriculture development:

- 2009-2012: 49 million<sup>4</sup> EUR (\$69 million)

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<sup>3</sup> Except where otherwise noted, funding intentions are calculated using average exchange rates for the first quarter of 2012 (source IMF): USD 1 = EUR 0.762453; USD 1 = JPY 79.39966; USD 1 = GBP 0.636299; USD 1 = CAD 1.001025

- 2012-2014: A new bilateral agreement is due for the 17th May 2012. Figures only can be published after negotiations take place.

## **JAPAN**

Expected disbursement for supporting agriculture and agriculture-related areas over the period of the Japanese fiscal year:

- 2012-2015 2.7 billion JPY (34 million USD)

## **RUSSIA**

- 2013-2015: 9 million USD

## **UNITED KINGDOM**

Annual funding tranches in the sector of Agriculture and Food Security:

- 2013: 2 million GBP (3 million USD)
- 2014: 5 million GBP (8 million USD)
- 2015: 6 million GBP (9 million USD)
- 2016: 6 million GBP (9 million USD)
- 2017: 6 million GBP (9 million USD)

Total multi-year funding: 25 million GBP (39 million USD) over five years, subject to funding availability and approval. UK funding is specific to the SADA area of Ghana and is being designed in consultation with the SADA Authority.

## **EUROPEAN UNION**

On-going programs:

- 8 million EUR (10.5 million USD)

Planned funding:

- 2012-2013: 20.2 million EUR (26.5 million USD)

Total commitment through end 2013:

- 28.2 million EUR (37 million USD)

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<sup>4</sup> Because this figure falls within Germany's L'Aquila pledge period of 2010-2012, the L'Aquila exchange rate of USD 1 = EUR 0.7181 was used.

### Annex 3: Private Sector Investment Intentions

As of May 18, 15 companies have prepared and signed “Letters of Intent” that describe their investment intentions in Ghana under the New Alliance for Food Security and Nutrition. The private sector investment plans will support the CAADP National Investment Plan for Agriculture and Food Security (the “METASIP”). Other companies are welcome to prepare and sign Letters of Intent in the future on the same basis.

| Ghanaian Companies                                                                                                                                                                                    | International Companies                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• AgriServ</li><li>• Ecobank Group</li><li>• Finttrade Group</li><li>• Ghana Nuts</li><li>• Premium Foods</li><li>• Savanna Farmers Marketing Company</li></ul> | <ul style="list-style-type: none"><li>• African Cashew Initiative Partners<br/>AGCO</li><li>• Armajara Trading Ltd.</li><li>• Rabobank</li><li>• SABMiller</li><li>• Swiss Re</li><li>• Unilever</li><li>• United Phosphorous Ltd.</li><li>• World Cocoa Foundation</li><li>• Yara International</li></ul> |

#### Summaries of private sector Letter of Intent to date are:

##### Ghanaian Companies

**AgriServ** (New Agricultural Services Limited) is actively engaged across the value chain in agricultural services and products spanning aquaculture, poultry, livestock and crops in Ghana.

- AgriServ is currently partnering with Pioneer (a DuPont business) to introduce hybrid maize seeds to Ghana, which are both high-yielding and drought-tolerant. Available in white and yellow varieties, these are expected to be the spring board not only for high yield production, but also for lowering farmers’ cost of production, increasing their margin and profits, and contributing to farmers’ asset-building.
- Agriserv is currently renewing and expanding procurement partnerships with local production companies and extending its business linkages and off-take agreements with direct impact on the lives of thousands of smallholder farmers in remote rural areas. Agriserv expects to have 5-6 eventual partners – each of which will have direct connections to between 3,000 – 10,000 smallholder farmers. The partners will provide a variety of services including extension services, tractor services, storage and warehousing. By offering high yielding seeds, Agriserv’s investments will add value to the yellow maize value chain, which has an estimated demand of 200,000 metric tons annually for the poultry industry.



- Agriserv is cooperating closely with GFAP (the Ghana Federation of Agricultural Producers) which comprises 4 major farmers' associations with a total number of farmers exceeding 3.5 million across Ghana. These efforts are expected to have additional benefits, including the revival of the Ghanaian poultry value chain, the start of broiler activities, the revival of the livestock industry and cattle fattening in particular.

The **Ecobank Group** is a full-service pan-African bank with a presence in 33 African countries.

- Ecobank's investments have impacts in promoting market access, ensuring market supply consistency, and enhancing market return, and the Group will continue to work towards improving access to affordable finance for the agriculture sector. Its commitment to serving the agriculture sector spans across Africa as demonstrated by our engagements in Ghana and Burkina Faso.
- Over the next seven years, Ecobank Ghana will target US \$5 million of lending to the agriculture sector. The goal will be to extend medium term lending (with tenors ranging from one to five years) to agribusiness small-and medium-sized enterprises operating in the rice, maize, and soya value chains, including but not limited to nucleus farm operators, aggregators and traders, processors, agro-inputs supply companies, transportation and mechanization services companies, and farm-based organizations.
- Over the next five years, Ecobank Burkina Faso will target US \$3,360,000 of lending to the agriculture sector and through microfinance institutions who on-lend to the agriculture sector. The goal is to increase access to finance for agriculture value chains (including livestock but excluding cotton, a sector that already receives support from commercial banks) defined broadly to include financing, inputs, production, processing, storage, and transportation. Ecobank Burkina Faso estimates this targeted lending will result in more than 60 new loans, with an average size of US\$50,000 and an average maturity of 1.5 years.

The **Finatrade Group** is a leading commodities procurer, processor, and distributor. The group includes 14 companies and over 2000 employees across West Africa.

- The Finatrade Group's subsidiaries sourced a combined volume of 660,000 metric tons in 2011 across four agricultural commodities – cocoa, cashew nut, sugar and rice – and is currently looking to expand into maize and soya.
- The Finatrade Group directly impacts the lives of smallholder farmers through sustainable programs that give them access to credit and production resources, training programmes on best practices, and award schemes. Finatrade expects to procure 150,000 metric tons of cocoa annually by 2015, up from 129,000 metric tons in 2011. This will involve local procurement from an additional 60,000 farmers above the 100,000 smallholder farmers from whom Finatrade currently procures cocoa. Finatrade also processes bulk commodities and packages them into consumer friendly quantities while maintaining exceptional quality and affordability.

- Finatrade Group's logistics network is used to collect raw produce from farmers for transport to processors or customers, while also delivering finished products, consumer products and necessary agricultural supplies to these local producers. Finatrade currently moves 700,000 metric tons of agri commodities, and 3000 shipping containers per year, from and to 100,000 farmers and more than 2,200 wholesale and retail distributors. The group expects to make additional investments to expand by 20% over the next four years.

**Ghana Nuts** is one of Ghana's leading agro processors, manufacturers and exporters of a range of edible oils, animal feed input materials, and shea butter.

- By promoting mechanized production, investing in increased processing capability and renewing / expanding off-take agreements with local partners and suppliers in maize and soya, the Ghana Nuts aims to contribute to the strength and sustainability of local production and supply.
- Ghana nuts plans to promote soya by:
  - a) Increasing procurement to 70,000 metric tons by 2015, from current volume of 25,000 metric tons;
  - b) Extending business linkages and partnerships with local companies to 60 partners from 8 partners in 2011- in order to drive efficiency in crops and animal production, processing, and marketing; and
  - c) Directly impact the lives of 25,000 smallholder farmers through capacity building, agronomic assistance and production off-take agreements by 2015.
- Ghana Nuts will also expand into maize procurement and processing, and intends to:
  - a) Design a pilot project to test the viability of yellow maize for the poultry industry;
  - b) Partner with local food companies through a hub-and-spoke model that will engage 5,000 smallholder farmers in their supply chain;
  - c) Double the area under cultivation to 1000 acres, and source 3,000 metric tons by 2013; and
  - d) Aim to scale these operations to a target size of 50,000 tons and 12,000 farmers by 2015.

**Premium Foods** is a leading processor of maize and soya beans in Ghana, with an annual production volume of 10,000 metric tons, milled at an efficient and modern mill that meets or exceeds international quality standards.

- Premium Foods is currently renewing and expanding procurement partnerships with local stakeholders to:

- a) Recruit 25,000 new farmers by 2015 to be trained and supported as the key production actors in the maize, rice and soya value chains in northern and southern Ghana;
  - b) Train at least 200 new tractor and combine harvester operators to provide good plowing and harvesting practices by 2015;
  - c) Increase farmer access to, and use of, improved seed and agrochemicals including fertilizer; and
  - d) Improve access to certified warehousing services for 15,000 smallholder farmers or 30,000 metric tons of storage by 2015.
- The expected result of these procurement partnerships will be to:
    - a) Increase the smallholder farmer's productivity of maize by 40%, soya by 20%, and rice by 60% by 2015 through access to appropriate technical support and mechanization as well as other input services;
    - b) Migrate 12,500 farmers to middle income earner status in the grains value chain by 2017; and
    - c) Improve the quality of maize, soya and rice through the access of smallholder farmers to postharvest and storage services.

**Savanna Farmers Marketing Company (SFMC)** is a private limited liability company in trust for farmer based organizations.

- SFMC engages with over 15,000 smallholder farmers to provide business linkages and market access for them, tied to maize, soya, and sorghum off-take. These activities have a direct effect on job creation and income improvement and contribute to significant development impacts.
- Smallholder farmers who have joined the SFMC network have been able to achieve increased efficiency, yields, product quality, and sustainability as well as income improvements of approximately 25% . SFMC enables smallholders to secure a market for produce that might have otherwise gone unsold. By continuing to invest in the capacity development of smallholder farmers within the network, SFMC increases farmers' efficiency, yields, product quality, and sustainability – resulting in both improved incomes for smallholders as well as positive impact on SFMC's revenues and profitability.
- SFMC expects the number of smallholder farmers engaged in the business to increase to 26,000 by 2016 as the sourcing network is expanded through increased procurement agreements and additional partnerships with local companies.

## **International Companies**

**AGCO**, Your Agriculture Company, is a US-based global leader for farm equipment with plans to invest in Burkina Faso, Cote d'Ivoire, Ethiopia, Ghana, Kenya, Mozambique and Tanzania as well as other countries in Africa.

- With over 50 years' experience in Africa AGCO intends to cultivate long-term partnerships and to invest US\$100 million over the next three years aiming to impact at least 25,000 smallholder farmers by providing a complete set of regionally specified agricultural solutions combined with technology transfer and capacity building.
- Our sustainable investment plans take a modularized approach and include:
  - a) Future Farms & Training Centers to enhance productivity through technology, mechanization and farming know-how;
  - b) An equipment financing solution for smallholder farmers with little-to-no working capital, and
  - c) Infrastructure, technical and consultative support with mechanization and replacement services as well as silo systems and storage solutions for smallholders and commercial farmers to the point of examining local assembly or manufacturing opportunities.
- In the next 12 months, activities include partnering with host country governments and transformation organizations to determine locations for farms/training centers, selecting focus value chains and developing feasibility studies.

**Armajaro Trading Ltd.** (ATL) is a global soft commodity trading house and supply chain manager, headquartered in the UK, with plans to invest in Ghana and Tanzania.

- In Ghana, ATL will collaborate over the next four years with the Ghana Cocoa Board and other cocoa-stakeholder partners to invest \$3.7 million in doubling yield and income for 26,800 cocoa farm families by establishing 536 community-based farmer organizations to disseminate training, improved planting material, and finance for farm inputs.

**Rabobank**, the leading global food and agribusiness bank that operates on cooperative principles, and the International Finance Corporation, a member of the World Bank Group, plan to jointly invest in an agri-finance vehicle benefitting West African countries including Ghana, Nigeria and Cote d'Ivoire.

- This new agribusiness finance institution is called the West Africa Agribusiness Development Corporation (WAAD). Over the next five years, this institution will provide access to financial services to small- and medium-sized companies across the agricultural value chain. The WAAD initiative would be accompanied by a capacity-building effort amongst local agro-sector professionals to maximize the benefits that increased access to finance will bring.

- Initially, WAAD aims at a customer portfolio of over 200 customers with an exposure of about US\$ 135 million in five years. Also, it will benefit a large multitude of smallholder farmers by strengthening linkages across a given value chain.

**SABMiller** is one of the world's largest brewers, with a significant presence in developing markets. The company has been brewing in Africa for over a century and research by Professor Ethan Kapstein estimates that its local sourcing programmes support 89,000 farming jobs in Africa (excluding South Africa).

- Following the successful implementation of cassava-based lager in Mozambique in 2011, SABMiller hopes to transfer and scale this commercially viable model, contributing to the development of a cassava value chain in other African countries, and expanding production in Mozambique to enhance smallholders' productivity and ensuring the provision of appropriate agricultural extension services.
- In Ghana, SABMiller's subsidiary Accra Brewery Ltd (ABL) brings cassava processing technology to the country. Partnering with the Dutch Agricultural Development and Trading Company, SABMiller aims to access the technology of the cassava processing units (AMPU) that travel to the cassava-growing regions.

**Swiss Re** is a Switzerland-based international risk management firm with plans to invest in-kind resources equivalent to about US\$ two million per year to support the development of sustainable agricultural risk management markets to assist farmers to cover production risks and enable them to access finance and engage in higher income-generating activities.

- This includes taking a key role in the B20 Food Security Task Force, a public-private initiative, to advise and activate risk management solutions in agriculture. This initiative can increase risk transfer capacity by a factor of three within five years. For Sub-Saharan Africa, this equates to an increase of risk capacity from currently US\$ 200 million to US\$ 600 million and is expected to provide agricultural insurance for up to 1.4 million smallholder farmers.
- Specific initiatives include a) developing weather index markets by supporting projects that receive grants from the Global Index Insurance Facility, b) providing technical advice to the Global Index Insurance Facility; and c) providing risk solutions to businesses with an agricultural focus, as a means to encourage further investment.
- Additionally, Swiss Re plans to continue working with Oxfam America, the World Food Program and USAID to scale its R4 Rural Resilience initiative, beyond the 13,000 households currently enrolled in Ethiopia.

**Unilever** is a global consumer products company with plans expand its sourcing throughout Africa.

- Unilever has been sourcing raw materials and producing and selling brands in Africa for over a century. It operates in more than 20 Sub-Saharan African countries, retailing 75 brands with a turnover in excess of €3.5 billion, with a footprint including 13

factories, 12 onshore operations and direct employment for more than 30,000 people. Africa is at the heart of its global business strategy and Unilever wants to double the size of its business there. Unilever wants to see African agricultural potential fulfilled in a way that creates sustainable business opportunities – particularly for the smallholder farmers integrated into its local and global supply chains. This is why Unilever takes a value chain approach that supports local sourcing and processing as well as export production and creates value throughout the supply chain.

- Unilever is committed to facilitating partnerships, leveraging investment and bringing expertise as well as stimulating the supply side by creating market demand. Unilever proposes to engage in setting up four value chain partnerships in tea (Kenya, Tanzania, Rwanda), cassava (Nigeria) for sorbitol and starch, palm oil (Ghana, Nigeria) and cocoa (Tanzania). In addition, Unilever is proposing to explore local sourcing opportunities for vegetable oils, fruits and vegetables in Mozambique, Tanzania and Ethiopia. Unilever will put an emphasis on integrating smallholders into supply chains through its commitment to sustainable sourcing and investment.
- Unilever estimates its proposed partnerships could result in the company sourcing the following products for use in local production and export: an additional 30,000-40,000 tons of tea, 300,000 tons of palm oil and 100,000 tons of cassava. Unilever is still exploring the potential for additional sourcing of cocoa. Its initial estimate is that this might stimulate around €300 million of investment from those involved in the partnerships and the integration of around 40,000 additional smallholder farms into its value chains, potentially improving the lives of over 100,000 people. Across the board, in these partnerships Unilever will continue work to reduce its environmental footprint and reach its target of 100% sustainably sourced agricultural products.

**United Phosphorous Limited (UPL)** is an India-based seed and crop protection company with plans to invest in Ethiopia, Ghana, Tanzania, Burkina Faso and Mozambique.

- UPL is exploring investments of approximately US\$150 million in 18 Sub-Saharan African countries over 7-10 years with the aim of impacting 200,000 smallholder farmers in the near term and up to 750,000 farmers in the long term. Through these investments, farmer productivity could increase 59-85%, translating to US\$100 million in the project phase and around US\$500 million in the long term. Impact on farm incomes would be between 50-113%. UPL identifies Africa as a critical and important region for their growth.
- Investments would include setting up research infrastructure, production and processing facilities, warehouses, cold storage, quality control labs, and local capacity building, specifically:
  - a) Technology transfer to smallholder and marginal farmers.
  - b) Key input and knowledge partnering to large farms.
  - c) Interest crops – corn, sorghum, sunflower, canola, rice, forages, cotton, legumes and vegetables.



- Expected impacts include:
  - a) Generation of local employment.
  - b) Education and training to smallholder and marginal farmers on crop management.
  - c) Access to high-yielding quality seeds and associated agri-inputs along with the right package of practices suitable to the growing conditions.

The corporate partners of the **African Cashew Initiative (ACi)—Intersnack Group GmbH & Co. KG, Kraft Foods Inc., Olam International, SAP AG and Trade and Development Group**—plan to invest in Ghana, Burkina Faso, Côte d’Ivoire, Mozambique and Benin.

- ACi aims to increase the competitiveness of African cashew production and processing and achieve sustainable poverty reduction by launching Phase 2 of their investment proposal from 2013 to 2015 by investing US\$21 million from corporate partners.
- ACi plans to focus on linking the processing industry to farmer groups so that processors can buy up to 60% of their raw cashew nut (RCN) stock directly from farmers or their organizations.
- ACi will also utilize a matching grant fund to assist the private sector in undertaking specific projects to enhance farmer productivity (e.g., farmer training, traceability improvements, quality monitoring systems and development/dissemination of improved planting material).

The corporate partners of the **World Cocoa Foundation (WCF)**—whose officers include **Mars, Incorporated, The Hershey Company, Kraft Foods and Armajaro Trading Ltd.**—plan to invest in Ghana, Côte d’Ivoire, Cameroon and Nigeria.

- The WCF partnership model brings together multiple private sector companies, many of whom are competitors, to support large-scale programs that increase the quantity and quality of the cocoa supply while positively impacting thousands of smallholder farmers. This collective approach allows companies to test different innovations and learn from each other. In this spirit, WCF has launched the Cocoa Livelihoods Program (CLP) and is announcing two new initiatives below, which are a part of the larger US\$40 million WCF CLP program.
- In the near-term, WCF intends to invest US\$3 million, of which US\$1.5 million is from corporate partners, in a matching grants program to promote private sector-led farmer training and service activities to double the productivity of 35,000 cocoa farmers from 400kg/ha to 800kg/ha.
- WCF also plans to invest US\$800,000, of which US\$400,000 is from corporate partners, in a financial growth fund to increase farmers’ access to financial services, which will enable farmers to have the necessary working capital to purchase inputs.

**Yara International ASA** is a Norway-based fertilizer company with plans to invest in Ethiopia, Ghana, Tanzania and Burkina Faso.

- Yara has committed to a broader sub-Saharan Africa strategy, applying an integrated multi-country approach. At a pan-African level, Yara is currently undertaking a significant business development activity to identify the most competitive location to develop a world-class fertilizer production facility, which, if a suitable location can be found, could amount to a US\$1.5- 2 billion investment. In this work, a number of factors will be carefully analyzed, such as access to reasonably priced raw materials, existing and future infrastructure developments, as well as location relative to market potential. Of critical importance in choosing a location is the overall local and regional agricultural development potential, where a world-scale manufacturing facility can act as a catalyst to growth in the agricultural sector and underpin the viability of sustainable food production. Yara would aim to combine an investment in such a production facility with a range of integrated agricultural growth and development approaches, such as the development of regional fertilizer hubs and holistic value chain initiatives.
- At the country level, Yara wishes to cultivate long-term partnerships with each of the countries in which it operates by supporting public-private partnership engagement with donors, agriculture sector financing, scaling up of agricultural growth cluster/corridor initiatives into major investment frameworks and promoting green growth.
- Yara's approach to creating such partnerships roughly follows four phases of engagement:
  - a) Building up crop-specific plant nutrition knowledge within a country, in line with country-specific needs.
  - b) Establishing a long-term strategic partnership with the aim of co-developing a national strategy for holistic in-country fertilizer market development
  - c) Promoting comprehensive end-to-end value chain initiatives and cluster-based approaches
  - d) Partnering with the government to incorporate agriculture strategy into a broader development context both within and beyond the food value chain.