



Food and Agriculture
Organization of the
United Nations

ENABLING MORE INCLUSIVE, EFFICIENT AND SUSTAINABLE AGRIFOOD SYSTEMS

In Africa, boosting sustainable food value chain development can contribute to enabling smallholders and small service providers to take advantage of burgeoning food economies. There are indeed new opportunities due to the increasing and changing food demand, coming in particular from urban areas. One of the central drivers of growth are food-based small and medium-sized enterprises (agrifood SMEs), which can become key protagonists of the transformation of agriculture towards more sustainable food systems. However, these SMEs struggle to take advantage of the increased market opportunities. Among the barriers inherent to agriculture and that hinder investments – such as high risks and weak mitigation strategies, limited availability of collateral, high transaction costs, and lack of business skills among small entrepreneurs – there is also the lack of capacity of financial institutions and private investors to assess profitable business opportunities within agribusiness markets. Against this background, this project aimed to foster Sustainable Development Goal (SDG)-aligned investments in agrifood systems in Burkina Faso, Ethiopia, Kenya and the Niger, to enable more inclusive, efficient and sustainable agrifood systems in these countries, and beyond.



WHAT DID THE PROJECT DO?

The project focused on strengthening the capacities of agricultural actors in the four target countries, and on addressing the systemic issues affecting the sustainable supply of financial services. This included setting up new or supported existing multistakeholder frameworks for structured public-private engagement, to address bottlenecks and improve the sustainability performance of selected value chains (VCs) and food systems. The established/reinforced frameworks were worked with to formulate proposals for the financing and adoption of policy changes, to enable a more investment-conducive environment. In addition, the most successful and effective instruments, tools and best practices were identified for leveraging private and direct foreign investments, building partnerships with similar existing initiatives. Customized guidelines for SDG-compliant investments were produced, developing innovative market arrangements, and facilitating access to information for investors and financial institutions. The organizational, technical and strategic/business capacities of different actors of the agrifood system were successfully enhanced through numerous targeted workshops and training sessions. To capitalize on the lessons learned, a number of normative and technical documents were developed, enabling global dissemination and circulation for scaling-up and replication.

KEY FACTS

Latest Approved Budget
USD 2 500 000

Duration
May 2019 – June 2022

Resource Partner
Government of Italy

Partners
European Centre for Development
Policy Management (ECDPM)

Beneficiaries
Agribusiness micro, small- and
medium-sized enterprises, and other
local actors in agrifood systems; public
and private investors and financial
service providers; and local and national
authorities and regional organizations

IMPACT

The project contributed to reducing food insecurity and to enhancing employment and income generation through the development of more inclusive, efficient and sustainable agrifood systems. Investments aligned with the SDGs were fostered, contributing to sustainable economic growth, and to generating employment in rural economies, as well as to improving livelihoods, promoting gender equality and reducing poverty.

ACTIVITIES

- Four political economy analyses developed, as well as preliminary VC analyses, to identify root causes for critical constraints limiting performance of selected VCs.
- Five VC studies developed and published, and five national workshops organized to present and validate assessments carried out (one for each target country, and one additional study in Kenya).
- Study developed on leveraging private finance for sustainable agrifood value chains in the four target countries, identifying 12 potential instruments and tools.
- Capacity of 50 representatives of financial institutions built on rural and agricultural finance, through online and in-person training activities.
- In Ethiopia, 35 enterprises trained on various topics related to the dairy sector.
- Local aquaculture investors in Kenya supported to establish public-private community partnership, to set up joint venture company aggregating fish from small-scale cage fish farmers.
- Women’s cooperative in Kenya supported to grow vegetables under contract arrangement with private food enterprise; and private food enterprise supported to develop financial proposal for development facility fund.
- Technical assistance provided to rice processors in Burkina Faso, and business-to-business meetings organized to develop participatory business plans.
- Training workshops organized in Ethiopia and Niger on Agricultural Risk Management (ARM).
- Key policy issues identified through development of four policy notes, to enable investment environment in each of the project countries.



SUSTAINABLE DEVELOPMENT GOALS

Project Title

Enabling inclusive and efficient private sector investment in agrifood systems through partnerships for growth and sustainability (“Agrinvest”)

Project Code

FAO: GCP/GLO/002/ITA

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