



Taking the Lead

Boosting agricultural productivity and
food security in Sub-Saharan Africa





About **AECF**

AECF (Africa Enterprise Challenge Fund) is a leading non-profit development organisation that supports innovative enterprises in the agribusiness and renewable energy sectors with the aim of reducing rural poverty, promoting resilient communities and creating jobs. AECF has raised over US\$ 400 million to provide catalytic funding and technical advisory support to enterprises that struggle to meet traditional risk-return standards for commercial investors. In just over a decade, we have supported over 375 businesses in 26 countries in Sub-Saharan Africa, impacted more than 30 million lives, created over 27,000 direct jobs, and leveraged US \$771 million in matching funds.

We surface and commercialize new ideas, business models and technologies designed to increase agricultural productivity, improve farmer incomes, expand clean energy access, reduce greenhouse gas emissions and improve resilience to the effects of climate change while also addressing the crosscutting themes of women, youth, and fragility. AECF is committed to working in frontier markets, fragile contexts, and high-risk economies where few mainstream financing institutions dare to go. In 2021, the AECF launched a refreshed strategy with the objective to build resilience and sustainable incomes for rural and marginalized communities in Africa.

across 26 countries in over 40 value chains.





Our Agribusiness Portfolio

Agriculture accounts for 32% of GDP in Sub-Saharan Africa and employs 65% of the workforce. It has the potential to make a significant impact on poverty as it enables farmers to generate financial returns from their most important assets — their land and labor. Yet Africa's full agricultural potential remains unfulfilled. Farm productivity and value-added production have been broadly stagnant since the 1980s with low levels of productivity and poorly integrated value chains limiting Africa's ability to feed itself.

At AECF, we believe that Africa's private sector holds the key to accelerating change. Across the continent, agri-focused SMEs are the main drivers of agricultural transformation with agriculture and agribusiness anticipated to become a US\$ 1 trillion industry in Africa by 2030, delivering more jobs, income, and economic growth. Supporting efforts to achieve food security and improved incomes for all, many of these SMEs reach smallholder farmers, either directly or indirectly.

AECF's support has enabled new technologies and outputs from agricultural research to be commercialized, agricultural investments to be scaled up (including post-conflict and fragile states), increased productivity and

efficiency through disruptive digital and non-digital agricultural technologies, and created capabilities and support systems for productive agricultural systems and climate-smart technologies in agribusiness. To date, we have invested over US\$ 130m and supported 203 companies across 26 countries in over 40 value chains.

Through this portfolio we have supported a diverse range of innovations that all work to bring smallholder farmers into formal value chains, including improved inputs, establishing outgrower and offtaker farming systems, and financial services.

Our investments have led to the introduction of new farming systems and inclusive agribusiness models that enable women to benefit from their efforts in the farm. Our support employs various concessional funding instruments including grants and interest free loans that enable businesses to invest in areas where they otherwise would not access.

¹ AfDB Africa Economic Brief Volume 8 2017- Africa's Agricultural Transformation: Identifying Priority Areas and Overcoming Challenges

Agribusiness Impact

Over the years, our agribusiness projects achieved the following impacts (as at December 2021)



4.05 MILLION

TOTAL NUMBER
OF HOUSEHOLDS
REACHED



17,478

TOTAL NUMBER
OF DIRECT JOBS CREATED
AND SUSTAINED



12.67

TOTAL DEVELOPMENT
IMPACT PER
USD \$1 INVESTED



US\$5

DEVELOPMENT IMPACT
LEVERAGED FOR EACH US\$1
INVESTED



US\$212.5

AVERAGE NET BENEFIT
PER HOUSEHOLD PER
YEAR



Going Forward

From farm to fork, the importance of agribusiness stems from the basic need for nourishment all the way to the role it can play in tackling climate change. It is often the main source of off-farm employment in rural areas of low-income countries and has positive effects on poverty reduction and women's empowerment in countries where high-value agri-food exports are produced. Linking smallholder farmers to formal value chains improves the income of rural households and increase on-farm agricultural productivity through the ability to purchase inputs and adopt new technologies. It helps to forge the necessary link between the agriculture and manufacturing sectors, which in turn can catalyse the development of broader manufacturing industries by providing material inputs for food processing, textiles, and biofuels. Therefore, AECF will continue to support the agribusiness sector in Sub-Saharan Africa strengthening its role its evident role in poverty reduction, food security, job creation and linkages to other sectors.

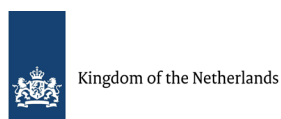
Our Partners



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