



Country Agribusiness Partnership Frameworks (CAP-F): Mainstreaming Private Sector Action into NAIPs

Background and Context

In response to the Malabo Declaration on CAADP, African governments are renewing their National Agricultural Investment Plans (NAIPs). They are also refreshing their sectoral priorities for investment and policy reform in consultation with agribusinesses, non-state actors, development partners and farmers. The identification of investment in priority value chains, with a view to achieving compelling commercial and development returns, often necessitates establishment of agribusiness partnerships around the prioritised value chains. The Country Agribusiness Partnership Framework (CAP-F) is a CAADP country engagement and partnership tool which has been developed to support the formation of such partnerships with the intent of unlocking private sector investment in NAIP-prioritised value chains.

Relevance of CAP-F for Achievement of Malabo Targets

The Commitment of African Union Heads of State and Government

AU Heads of State and Government renewed their commitment to CAADP in Malabo, Equatorial Guinea, in 2014, pledging to enhance public and private investment in agriculture while accentuating the increasing role of agribusiness partnerships for attainment of agricultural transformational goals. In a departure from traditional reliance on public sector-driven investment, commitments were made to enhance policy and institutional systems to facilitate private sector investment in agriculture, agribusiness and agro-industries.

Context

NAIPs were initially designed as public sector instruments, offering limited scope for commercial engagement with the private sector. In parallel, meanwhile, various

KEY MESSAGES

The Country Agribusiness Partnership Framework is not a stand-alone initiative. It streamlines existing interventions to ensure an effective CAADP process that delivers on commitments of AU Heads of State and Government to enhance investment in agriculture.

Operationalisation of CAP-F at country level will:

- ▶ Support stakeholders to identify systemic policy issues inhibiting agribusiness development, prioritise policy challenges and identify suitable options for resolution.
- ▶ Support countries to mobilise and unlock agricultural investment financing from private sector players, governments and development partners.
- ▶ Play a key role in matching investment finance with key gaps and needs along value chains, ensuring that investments are channelled where they are needed most.
- ▶ Serve as a dynamic inventory and registry of each country's partnerships and commitments on investments and policy changes.

initiatives were implemented at continental and national levels to align government and private sector interests and to promote and facilitate investment. However, these initiatives had limited success, and it has proved challenging to successfully converge the needs and expectations of different stakeholders while creating an enabling environment that catalyses investment.

Grow Africa: Mobilising investment in African agriculture

Since 2011, Grow Africa, initially under the New Alliance for Food Security and Nutrition (NAFSN), has mobilised over US\$10 billion in private sector agricultural investment commitments to 12 African countries across multiple value chains. The commitments were captured through Letters of Intent from over 200 companies. By 2015, only 25% of these commitments had been delivered, however. In most cases, private sector investment intentions failed to materialise into tangible commercial value chain activities, in the absence of enabling policies and strategic government support. Although governments made specific commitments to create an enabling policy environment, achievements were limited by implementation capacities within public institutions. Private sector investments were also not fully aligned with government priorities, receiving minimal support from governments and compromising commercial viability.

One of the challenges to the pre-Malabo CAADP implementation process was the lack of a structured dialogue mechanisms with private sector actors in order to facilitate their engagement and investment¹. There is presently a demand, however, for innovative, inclusive, and transparent country-led processes that simultaneously align private sector and government interests while catalysing investment in agriculture.

Delivering on the Malabo Commitment to Enhance Investment Financing in Agriculture

In order to overcome this challenge, the post-Malabo CAADP implementation process emphasises as a key deliverable the establishment of a dedicated private sector engagement process under NAIP, under which agri-businesses can engage policy decision makers on obstacles and priority actions to unlock private investment in agriculture. In response, Grow Africa², in collaboration with the African Union Development Agency (AUDA-NEPAD) and the African Union Commission (AUC), have designed, developed and launched CAP-F as the key CAADP framework for supporting the mainstreaming of private sector priorities in refreshed NAIPs as well as the creation of agribusiness partnerships that contribute to the achievement of national agricultural transformation goals.

Recommendations for Anchoring CAP-F in NAIPs

CAP-F should ideally be introduced during the process of reviewing NAIPs for private sector consultation on priority value chains of commercial interest, as well as of existing weaknesses in the enabling environment.

Introductory meetings led by the AUC, AUDA-NEPAD and Grow Africa can formally introduce CAP-F to country leadership. A stocktaking exercise then follows, facilitated by Grow Africa, in order to ascertain the level of resourcing required to implement CAP-F and to ensure country ownership in design. Based on the findings of this stocktaking, the country, in collaboration with Grow Africa, develops an implementation



1 A Synthesis Report of A Special Meeting of the Agriculture Development Working Group (ADWG) Leaders and CAADP Managers of NAIPs on Country Post-Compact and Investment Plan Implementation.

2 Grow Africa is a programme of the African Union Development Agency (AUDA-NEPAD) supporting CAADP implementation through facilitation of private sector investment in agriculture, helping countries to realise potential for agriculture sector to contribute to economic growth and job creation.

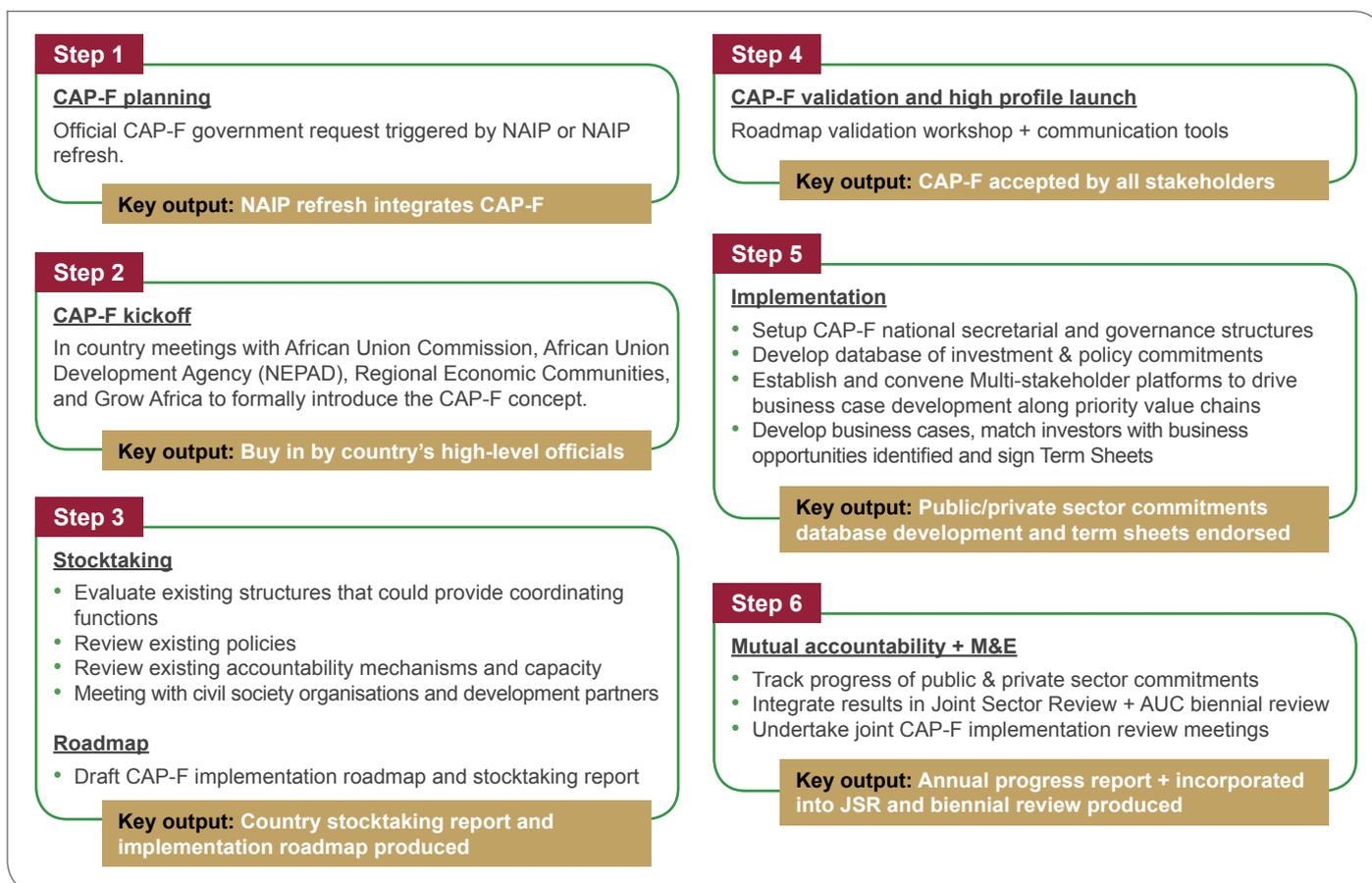


Figure 1: Operationalisation of CAP-F at country level. Source: Grow Africa

roadmap which is validated by all key stakeholders and which signifies the official national launch of CAP-F. Implementation of the validated roadmap follows. Implementation comprises forming national coordination structures, convening multi-stakeholder platforms, conducting value chain analyses and business case development, matching investors to business opportunities and building a database of partner commitments.

One of the key achievements of CAP-F country work streams is the signing of Term Sheets, which are preliminary agreements between two or more parties that outline basic terms and conditions under which the investment will be made. Term Sheets are then used to develop a more detailed binding agreement between the parties concerned. Once pre-conditions for investment have been met, implementation should be tracked on an ongoing basis.

Key elements to consider for effective CAP-F implementation include:

Coordination architecture: CAP-F is an integral part of the CAADP process, hence effective coordination architecture will take cognisance of platforms in CAADP country processes and will strive to integrate with existing efforts. Grow Africa will provide technical support for private-sector engagement and mobilisation, while the African Union and

AUDA-NEPAD CAADP team will provide advisory support during implementation. Specific points of advice include:

- ▶ Have in place a cross-sector leadership group or steering committee to oversee the CAP-F Secretariat and to set strategic direction. Countries may opt to use Agriculture Sector Working Groups where the structure is operational, so as to provide oversight to the secretariat.
- ▶ Have in place a CAP-F Secretariat to effectively manage and coordinate the process, to mobilise new partnerships and commitments for investment and policy reform, and to monitor and evaluate progress. In setting up this Secretariat, countries may elect to harmonise the CAP-F Secretariat with roles of the CAADP Focal Point, while incorporating strong private sector representation.
- ▶ Have in place multi-stakeholder platforms and working groups to enhance collaboration, convene value chain actors and advance concrete partnerships within priority value chains.

Generating the policy action agenda: A realistic policy agenda should be generated through inclusive consultation. Policy commitments by governments should address the most pressing issues and should build domestic and international private sector confidence to increase investments.

Investment mobilisation: Although CAP-F is focused primarily on mobilising private sector investment, it should also mobilise catalytic investments from the government, development partners, donors and other non-state actors. The role of the CAP-F Secretariat should be to crowd-in the right mix of partners to overcome value chain constraints.

Mutual Accountability: The CAP-F Secretariat facilitates mutual accountability through annual stocktaking on progress and challenges for all partnerships and commitments. Data is analysed and compiled as an

Agribusiness Chapter for Annual Joint Sector Reviews and contributes to the Biennial Review Report.

Resourcing: Governments and their partners must provide sufficient initial resourcing, financially and through strategic assistance, to successfully launch and attract interest in a CAP-F. The AUC, AUDA-NEPAD, Grow Africa and the Regional Economic Communities (RECs) will provide support for continental, public and private sector coordination.

Measuring Private Sector Investment in Agriculture in the Biennial Review

Successful Country Agribusiness Partnerships will directly result in good performance across a number of Biennial Review indicators, as listed below:

Malabo Commitment	Commitment Performance Category	Objectives	Indicator
Enhancing Investment Finance in Agriculture	2.2 Domestic Private Sector Investment in Agriculture.	Put in place or strengthen mechanisms to attract domestic private investment in agriculture.	2.2 Ratio of domestic private sector investment to public investment in agriculture.
	2.3 Foreign Private Sector Investment in Agriculture.	Put in place or strengthen mechanisms to attract foreign private direct investment in agriculture.	2.3 Ratio of foreign private direct investment to public investment in agriculture.
Halving Poverty through Agriculture by 2025	4.2 Inclusive PPPs for commodity value chains	Promote approaches via PPP arrangements to link smallholder farmers to value chains of priority agricultural commodities.	4.2 Number of priority agricultural commodity value chains for which a PPP is established with strong linkage to smallholder agriculture.

Further Information

- ▶ AUC and NPCA (2016). *Country CAADP Implementation Guidelines under the Malabo Declaration*. African Union Commission and NEPAD Planning and Coordinating Agency. - [View](#)
- ▶ AUC and NPCA (2017). *African Union Business Plan to Implement the Malabo CAADP Declaration*. African Union Commission and NEPAD Planning and Coordinating Agency. - [View](#)
- ▶ AUC, NPCA and Grow Africa (2017). *Country Agribusiness Partnership Frameworks (CAP-F) – An Implementation Guide for Governments and their Partners*. African Union Commission, NEPAD Planning and Coordinating Agency and Grow Africa. - [View](#)

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