

Introduction

- Small and medium-sized agricultural enterprises (SMEs) in Africa require an additional **annual investment of USD 170 billion** to enhance climate resilience and meet rising food demand (REF).
- Private finance must increase commitments. However, sector and country risks, limited market data, and high transaction costs hinder **private-sector investment**.
- A science-driven accelerator program for climate-smart agribusinesses can **de-risk investments** while allowing CGIAR research **innovations to reach scale**



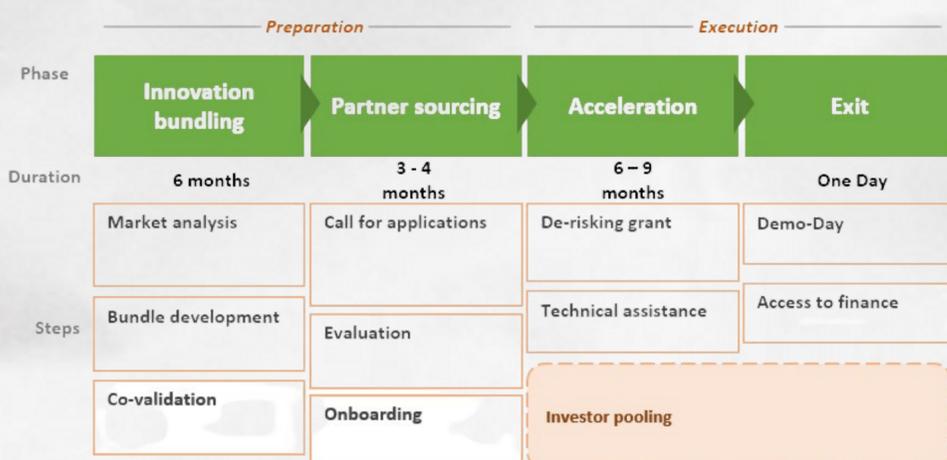
10 founders of agri-enterprises at the Kick-Off event in Kigali

Main objectives

- Identify, source and support** agri-SMEs in African food value chains through demand-driven **science-based technical assistance**, to strengthen their capacity to absorb additional financial resources
- Enable agri-SMEs to **scale climate-smart innovation** through sustainable commercial development
- Provide a **framework** for non-donor financial actors to **identify and de-risk investment opportunities** with a proven case for sustainability impact

Methods

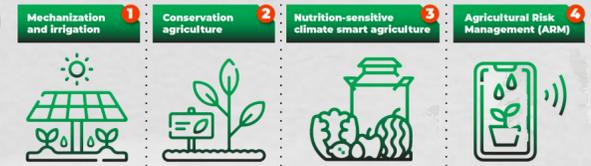
In this 4-phase approach, innovations are being **bundled** and **made market ready**, private sector partners are first **sourced** and then **supported** through an acceleration ("sprint") program and then **linked to potential investors**. The research outputs (impact pathways, engagement reports, risk analyses, guidelines, case studies) are used to provide science-based evidence for innovation scaling through Agri-SMEs.



Governance and (bio)economic aspects of food systems transformation II

Results

4 innovation themes were identified, based on available research capacity:



10 agribusinesses were sourced from four countries (out of 288 completed applications)

Technical assistance was provided across five workstreams:

- Innovation-specific advisory
- Enabling environment
- Gender & social inclusion
- Impact measurement and management
- Investment readiness (provided through external partner)

15 investors were engaged in discussions

1 "Demo-Day" being organized (26th October 2023 in Nairobi, Kenya)

Conclusion

- Agri-SMEs have the capacity to scale food systems innovations, but often lack financial resources to reach scale
- CGIAR can utilize its existing research capacity and methods to leverage private sector actors for innovation scaling and to inform investment decisions into climate-smart agriculture

Recommendations

- A framework for bankability of CGIAR research innovations that are scaled through an acceleration program should be developed, to catalyze additional investments into climate-smart agriculture
- Partnerships with private financial actors should be facilitated to drive methods that inform financial decision-making
- Agri-SMEs that scale CGIAR innovations should be categorized into pools to create financial vehicles that decrease overhead costs into the agri-entrepreneurship sector

References

- ISF Advisors (2022) "The state of the agri-SME sector – Bridging the finance gap", Washington, DC, Commercial Agriculture for Smallholders and Agribusinesses
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