



G8 COOPERATION FRAMEWORK TO SUPPORT

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







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.

Ethiopia has demonstrated a strong commitment to food security by balancing investment in the chronically food insecure areas with an increased focus on higher potential areas of the county, exemplified by the development of its Agricultural Growth Program. Together, the Government of Ethiopia 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 Ethiopia as Ethiopia’s Agriculture Sector Policy Investment Framework or PIF), in such a manner as to accelerate implementation of the PIF and in conjunction with commitments made by the Government of Ethiopia. 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 PIF, 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 investments that will generate agricultural growth, specifically on agricultural and livestock production, productivity and marketing investments within the PIF and in particular on the development of the Government of Ethiopia’s priority areas outlined within the Agricultural Growth Program (AGP).



## **Key Policy Commitments**

The Government of Ethiopia 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 Ethiopia intends to focus its efforts, in particular, on increasing stability and transparency in trade policy; improving incentives for the private sector; developing and implementing a transparent land tenure policy; and developing and implementing domestic seed policies that encourage increased private sector involvement in this area (see Annex 1).

The Government of Ethiopia 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 Ethiopia's development, and the delivery of tangible benefits to smallholder farmers, including women.

The Government of Ethiopia 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 Ethiopia in support of the CAADP National Investment Plan for Agriculture and Food Security (the PIF), through 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 Ethiopia 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 Ethiopia.



## **Coordination and Collaboration**

Recognizing existing arrangements for division of labor between the Government of Ethiopia and the development partners, G8 members intend to coordinate their efforts with the aim of attaining greater effectiveness. The chair of the agriculture sector donor working group (RED-FS) will 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 without setting up parallel or duplicative structures. The G8 and Government of Ethiopia 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 Ethiopia to help 2.9 million people emerge from poverty.

## **Mutual Accountability**

The G8 members, the Government of Ethiopia, 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 the PIF 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 Ethiopia's CAADP investment plan: (1) progress towards achieving the poverty reduction target; (2) G8 member commitments to align their agricultural investments to the Government of Ethiopia's PIF; (3) Government of Ethiopia 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.



## Annex 1: Government of Ethiopia Key Policy Commitments

Policy Indicators		
<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>		
Objective	Framework Policy Actions	Timeline
<i>Increase private sector participation in seed development, multiplication, and distribution</i>	1. Ratify seed proclamation.	June 2012
	2. Establish protocols to identify regulatory/ administrative changes, as necessary and encourages private sector that: <ul style="list-style-type: none"> <li>• allows market pricing of seeds, including at-risk farmer support system;</li> <li>• incentivizes the private sector to commercially multiply and distribute seed, including a focus on cooperatives;</li> <li>• links government research institutions to universities and extension services;</li> <li>• incentivizes international seed companies to operate in Ethiopian seed markets, with the exception of certain open/self-pollinated or indigenous crops, specifically teff, coffee, niger seed, and inset; and</li> <li>• allows cooperatives and individual farmers to source seed from any supplier.</li> </ul>	December 2012
<i>Increase ability of the private sector to access markets by reducing barriers to competitiveness and increasing transparency of requirements</i>	3. Establish a one-window service that assists agriculture investors (domestic and foreign; small, medium and larger enterprises) to: <ul style="list-style-type: none"> <li>• obtain a business license;</li> <li>• secure access to land;</li> <li>• obtain market information on pricing and production availability;</li> <li>• identify added-value opportunities (e.g. agro-processing, grading and sorting, warehousing and storage, etc);</li> <li>• identify livestock industry and commercial ranching opportunities (e.g. abattoirs, feed lots, etc); and</li> <li>• access financing.</li> </ul>	April 2013
	4. Publish and disseminate business licensing procedures through local radio, internet and newspapers.	April 2013
	5. Implement policy measures, as necessary, that secure ownership and crop trading rights for commercial farms.	December 2013
	6. Commit not to impose export quotas on commercial farm output and processed goods.	September 2012
	7. Refine, as necessary, policies regarding agrochemical importation that ensure consistent application of regulations to private sector distributors and commercial farms; and to generic chemicals and brand name chemicals.	June 2013
	8. Refine, as necessary, regulatory framework to stimulate private sector engagement in livestock production, value chain development of animal products and health quality input delivery.	June 2013
9. Support an independent study of the impact to date of the Ethiopia Commodity Exchange.	June 2013	



<i>Strengthen land use rights to stimulate investment in agriculture</i>	10. Extend land certification to all rural land holders, initially focusing on Agricultural Growth Program (AGP) districts (woredas).	June 2015
	11. Refine land law, if necessary, to encourage long-term land leasing and strengthen contract enforcement for commercial farms.	December 2013
	12. Develop and share a land use planning framework for highland regions and lowland regions of Gambella and Benishangul, which will result in sustainable land use as well as improved service delivery and viable livelihoods.	April 2014
	13. Further develop and implement guidelines of corporate responsibility for land tenure and responsible agriculture investment.	June 2013
<i>Increase the availability of credit to the agricultural sector</i>	14. Enable financial institutions to support smallholder farmers and agribusiness (e.g. warehouse receipts, out-grower contracts, machinery leasing, etc.).	December 2013
	15. Strengthen credit bureau system to improve access to financial information.	December 2012



## Annex 2: G8 Members' and Others' Funding Intentions<sup>1</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:

- 2011: 45 million USD, plus up to 110 million USD in support to the Productive Safety Net Program subject to assessment verifications
- 2012: 50 million USD, plus up to 110 million USD in support to the Productive Safety Net Program subject to assessment verifications

Subject to the availability of funds,

- 2013: 50 million USD, plus up to 98 million USD in support to the Productive Safety Net Program subject to assessment verifications

### CANADA

- 2012-2013: 47 million CDN (46.94 million USD)
- 2013-2014: 28 million CDN (27.97 million USD)
- 2014-2015: 23 million CDN (22.97 million USD)

Total multi-year funding: 98 million CDN (97.88 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:

- 2012-2014: 50.2 million EUR (65.8 million USD)

### ITALY

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<sup>1</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



Total commitment in the sector of agriculture, private sector development in the dry lands, water, food security and nutrition:

- 2013-2015: 40 million EUR (52.4 million USD)

#### JAPAN

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

- 2012-2015: 70 billion JPY (\$88 million USD).

#### RUSSIA

- 2013-2015: 51 million USD

#### UNITED KINGDOM

Annual funding tranches in the sector of agriculture, food Security and nutrition:

- 2012-13: 52 million GBP (82 million USD)
- 2013-14: 61 million GBP (96 million USD)
- 2014-15: 66 million GBP (104 million USD)

Total multi-year funding: 179 million GBP (281 million USD) over three years subject to funding availability.

#### EUROPEAN UNION

On-going programs

- 176.4 million EUR (231.36 million USD) (of which 123 million EUR (161.1 million USD) is PSNP)

Planned funding

- 2012-2013: 68.7 million EUR (90 million USD)

Total commitment through end 2013

- 245 million EUR (321 million USD)





### Annex 3: Private Sector Investment Intentions

As of May 18, 2012, 14 companies have prepared and signed "Letters of Intent" that describe their investment intentions in Ethiopia 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 "PIF"). Other companies are welcome to prepare and sign Letters of Intent in the future on the same basis.

Ethiopian Companies	International Companies
<ul style="list-style-type: none"><li>• Bank of Abyssinia</li><li>• Guts Agro Industry</li><li>• Hilina Enriched Foods</li><li>• Mullege</li><li>• Omega Farms</li><li>• Zemen Bank</li></ul>	<ul style="list-style-type: none"><li>• AGCO</li><li>• Diageo</li><li>• DuPont</li><li>• Netafim</li><li>• SwissRe</li><li>• Syngenta</li><li>• United Phosphorous</li><li>• Yara International</li></ul>

#### Summaries of private sector Letters of Intent to date:

##### Ethiopian Companies

**Bank of Abyssinia** is a privately owned financial institution committed to providing full-fledged domestic and international banking services to the people of Ethiopia.

- Bank of Abyssinia is committed to being part of the agricultural transformation of Ethiopia and looks forward to collaborating with New Alliance stakeholders to create long and lasting relationships and impacts in Ethiopia.
- Bank of Abyssinia already began this process in September 2011 when it partnered with USAID/Ethiopia and signed a US\$7.3 million Development Credit Authority loan portfolio agreement to support Ethiopia's Feed the Future strategy, along with Zemen Bank. The guarantee was structured to serve as a credit enhancement tool for loans extended to agricultural equipment suppliers and leasing companies. These credit facilities will increase the ability of farmers, cooperatives and agribusinesses to acquire necessary agricultural equipment, thereby strengthening their ability to move toward mechanization of activities, to provide a stronger role in different value chains and to ultimately enhance farming yields.

**Guts Agro Industry** is a private limited liability company, founded by two Ethiopian entrepreneurs.

- Guts Agro Industries engages in the production of high-quality nutritional food products, and interacts with over 50,000 smallholder farmers to provide chickpea, maize and soybean.



- Guts Agro Industries is looking to expand its fortified blended food processing activities by diversifying its product line into such products as baby foods, iodized salt and corn-soy blends. It also has a strong interest in partnering with other investors to integrate further up the value chain in other products such as the chickpea value chain in the Oromia region of Ethiopia, where it is looking to invest with a particular focus on chickpea flour processing, chickpea-based ready-to-use supplemental foods (RUSF) and crackers.
- Specifically, Guts Agro Industries is expanding its operations by increasing production, procurement and off-take agreements with three cooperative unions in Ethiopia, creating a new market opportunity for 40,000-50,000 metric tons of maize, soybean and chickpea to produce 30,000 metric tons of chickpea flour per year, chickpea based RUSF with a capacity of 3,000 metric tons per annum, and expanding its "super cereal plus" product from 18,000 metric tons to 30,000 metric tons annually, which is planned to be implemented within 12 months.

**Hilina Enriched Foods** is a private limited liability company, engaging in the production of high-quality supplementary and therapeutic dietary products.

- Hilina looks to expand its reach of over 40,000 smallholder farmers who, through cooperative unions, supply chickpeas, unshelled and shelled peanuts and soy beans – increasing their daily income and improving their nutritional status. The company also produces a range of foods specifically designed to combat various forms of malnutrition and micronutrient deficiencies affecting children and other vulnerable groups in Ethiopia.
- Hilina Enriched Foods is currently renewing and expanding operations in the following ways:
  - Increasing production, procurement and off-take agreements in local cereals and legumes from 32,500 metric tons to 50,000 metric tons by 2015.
  - Introducing commercially viable yet nutritionally rich products such as soy-based products, iodized salt and fortified flours, flakes and extruded local cereals, both in marketing our own products and in partnership with sister companies.
  - Developing industry–university linkages so that appropriate improved technologies targeted to improving the income level of farmers are made available, e.g., by disseminating new and improved seeds as well as intensifying market information and communication to enhance total commodity production.

**Mullege** is a private limited company that primarily engages in the processing and exporting of coffee and other commodities, through which it interacts with over 18,000 smallholder farmers as suppliers.

- Mullege is looking to expand and scale-up its existing coffee operations, potentially in and around Addis Ababa and the coffee growing regions of Ethiopia. It also has an interest in partnering with other investors in the sesame value chain, with a particular focus on processing and hulling facilities.
- Mullege is currently renewing and expanding operations in the following ways:



- Increasing production, procurement and off-take agreements in coffee to 20,000 metric tons by 2014/2015, and in oilseeds and pulses to 19,000 metric tons by 2013/2014.
- Extending its business linkages and partnerships with local and international companies.
- Directly impacting the lives of 90,000 smallholder farmers through 2015.

**Omega Farms** is a private limited liability company looking to expand chickpea production and processing in Ethiopia.

- Omega Farms engages in production of fresh vegetables and legumes, and interacts with more than five out-growers. Omega Farms is looking to expand commercial farm activities that create linkages with smallholder farmer out-growers, especially in chickpeas. It also has a strong interest in partnering with other investors to integrate into processing activities.
- Omega Farms has conducted trials on how to improve the production of chickpeas with smallholder farmers in Ethiopia and is committed to sharing the results of these trials with interested parties. Scaling up the improved chickpea growing methods will:
  - Increase yields by 15%;
  - Reduce post-harvest crop losses by 30%;
  - Improve crop quality significantly by using top-quality selected seed;
  - Reduce seed losses by planting in rows;
  - Increase plant density by 20%; and
  - Engage farmer associations and cooperative unions to reach over 1,000 smallholder farmers.
- To complement these efforts to expand production of chickpeas, Omega Farms plans to implement a strategic business plan to attract equity investors interested in the establishment of a chickpea processing plant to produce chickpea powder and hummus. All products will be packaged in-country for both local and international consumer markets.

**Zemen Bank** is a privately owned financial institution committed to bringing a new dynamism to the financial sector and the banking business in Ethiopia.

- In the past few years, the Zemen Bank has played its part in the financial sector by lending to priority economic sectors, including agriculture; devoting more than half of its loan book to medium- and long-term loans; and embracing Ethiopia's financial inclusion agenda through a focus on technology-based service delivery channels.
- Zemen Bank is currently contributing to the development of the agricultural and agri-business sector in Ethiopia in the following complementary ways:
  - Devoting the largest share of its loan book to agricultural exporters, often on terms that include medium- and long-term funding and typically to producer-exporters directly (e.g., flower and vegetable growers);
  - Providing substantial wholesale loans to several micro-finance institutions who serve a largely rural/agricultural base in several of Ethiopia's regions; and
  - Lending to downstream industries engaged in the production of beverages, edible oils, meat and grain products.



## **Multi-national 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 Centres 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.

**Diageo** is the world's leading premium drink business with a widespread and well-established presence in Africa. It has a well-stated commitment to invest behind initiatives that lead to the growth of its businesses and their value chains in Africa.

- Diageo aims to increase the proportion of its local sourcing from 50% to 70%, which would create a sustainable source of income for more than 100,000 smallholder farmers across seven countries in which it operates. Proposed pilot projects are a first step towards this objective.
- In Ethiopia, Diageo is planning to support a US\$1.5 million scalable value chain project to source barley from 6,000 smallholder farmers with the potential to scale-up to 20,000 metric tons per year by 2016.
- In Tanzania, Diageo is planning to support a US\$2 million scalable value chain project in sorghum sourcing with the potential to scale-up to 20,000 metric tons per year by 2016.

**DuPont**, a U.S.-based science company with significant seed, crop protection and nutrition and health businesses, is proposing to invest in Ethiopia.

- DuPont expects its food and agriculture business in the Africa region will reach US\$500 million in sales in the next few years, progressing toward US\$ 1 billion in the next decade. As that growth occurs, it will mean new employees in the region, and capital investment of tens of millions of dollars.
- For Ethiopia, DuPont's seed business Pioneer intends to enhance smallholder farmer productivity by investing in a seed warehouse/conditioning plant, developing a rapid soil information system with partners at Columbia University and local entities, and





potentially partnering with USAID and other local partners to build a strong value chain for maize farmers.

- DuPont's Crop Protection business will work to improve farmer productivity by developing a sulfonylurea weed control offering for wheat, bringing novel insect control solutions for cotton and vegetables, training farmers on the responsible use of crop protection products, and continuing to develop its pipeline to protect crops important to Ethiopian farmers.

**Netafim** is an Israel-based drip irrigation company with plans to invest in Ethiopia through the following project areas:

- Development of a pilot to support the ATA's priority in household irrigation, employing the Family Drip System™ (FDS™) that Netafim has successfully rolled out in Kenya, parts of Asia and South America. The five-year conditional potential target is 40,000-50,000 smallholder units.
- Introduction of large-scale drip irrigation projects in the chickpea and/or sugar cane value chains, in partnership with other companies working along the value chain and subject to the effective collaboration between Netafim, the ATA and the Government of Ethiopia.
- Exploration of the feasibility of three export-oriented agriculture projects in cooperation with local company partners in the coffee and banana value chains, with the ATA acting as an active facilitator between Netafim and relevant government agencies.

**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

**Syngenta** is a global agricultural inputs company developing integrated crop protection and seed solutions for farmers worldwide. In Africa, Syngenta intends to substantially grow its business over the next ten years.



- Syngenta will invest US\$500 million to expand its African business and will sustainably increase the productivity of approximately 5 million large and smallholder farmers by at least 50 percent.
- Syngenta plans to launch Agriculture Productivity Partnerships with at least five countries in the next 24 months by connecting with local leaders, providing advice and knowledge transfer and offering products and solutions including the scale-up of its successful crop insurance program.
- Syngenta intends to set up local production facilities, in one or two locations initially, to manufacture affordable-size product packs tailored to the needs of African farmers.
- Additionally, Syngenta plans to establish centers of expertise for Rice, Soya and Vegetables to transfer in and localize global technology and know-how.

**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; and c) access to high-yielding quality seeds and associated agri-inputs along with the right package of practices suitable to the growing conditions.

**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: 1) building up crop-specific plant nutrition knowledge within a country, in line with country-specific needs; 2) establishing a long-term strategic partnership with the aim of co-developing a national strategy for holistic in-country fertilizer market development; 3) promoting comprehensive end-to-end value chain initiatives and cluster-based approaches; and 4) partnering with the government to incorporate agriculture strategy into a broader development context both within and beyond the food value chain.