

# INCREASING DEVELOPMENT IMPACT OF AGRICULTURAL RESEARCH

## THE AECF APPROACH



BUILDING A PROSPEROUS AND ENTERPRISING AFRICA

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# WHAT IS THE AECF?

**THE AECF**  
is a non-profit, multi-donor pan-African development institution that unlocks the power of the private sector to impact the lives of rural and marginalised communities in Africa



We provide **catalytic funding, technical assistance** and **market linkages** to early stage and growth stage businesses in the **Agriculture** and **Renewable Energy** sectors

Launched in 2008 – now 10 years old

# THE AECF TO DATE

**\$310 M**

FUND SIZE (2008: \$35M)

**24**

COUNTRIES IN SSA

**4x**

DEVELOPMENT IMPACT



**267**

PORTFOLIO COMPANIES

**40**

VALUE CHAINS  
(AGRIBUSINESS & RENEWABLE ENERGY)

**22**

COMPETITIONS



# MEASURING AND AGGREGATING IMPACT - AN INCREASINGLY PRECISE ART

For each of the business projects we fund (**DCED** standard):

- Develop a **Results Measurement Plan** for each business, consisting of:
- a **Results Chain** (visualisation of the internal logic)
- a **Beneficiary Model** (calculating the household level benefit)
- Collect data through **investee self reporting**
- Apply to beneficiary model and aggregate across portfolio
- **Verification studies** to check and improve models

# AGGREGATING IMPACT - SOME COMMON INDICATORS ACROSS ALL PROJECTS

For each of the business projects we fund:

1. **Number of households** that benefit from the business's activities
2. Incremental **increase in household income**
3. Number of **formal jobs created** directly in the business as a result of funding and **wages earned**
4. **Total Net Benefit (1x2+3)**
5. **Development Rate of Return** – the additional **private investment leveraged**

# RESEARCH IN BUSINESS INVESTMENT WINDOW

**Objective of commercializing innovations stuck in research institutions;**

**USD18m from UK and Australian governments;**

**Two rounds of competition (2011 & 2013); 15 companies invested;**

**Very wide range of scope, from information to fertilizer to propagating material;**

**Key successes have been in stimulating legislative change, establishing new markets and driving technological development;**

**Key challenges have been in turning scientists into businesspeople, and reaching poor farmers with new ideas**

# BRENTEC – THERMO-TOLERANT POULTRY VACCINE

Commercializing **thermo-tolerant vaccine** for Newcastle Disease from the University of Queensland;

Enables the delivery of vaccine without a cold chain;

Five years to establish laboratory, gain certification, establish sales network and work with government to control **counterfeit imports**;

In 2017, sold 6m doses reaching almost 100,000 households and improving incomes by US\$100

# AGRIPROTEIN TECHNOLOGIES

Introducing commercial production of Black Soldier Fly for **waste treatment** and replacement of **fish meal** in poultry feed;

Initial idea to produce world first innovation on protein production;

AECF invested knowing that the business would not reach smallholders in the near term, but that the **potential** to impact eventually was huge;

Agriprotein still not at market, but almost – raised US\$17.5m in late 2016 for expansion to second production facility

Innovation being **replicated** in another AECF project in Tanzania



Introducing new **PRO** rose rootstock to improve yields by **15%**;

AECF invested because **500,000 jobs** in Kenya are linked to floriculture;

Difficult to convince growers to grub out existing stock;

In 2017, 35 hectares replaced with PRO – only **1%** of greenhouses but demand is taking off exponentially;

Challenges with **intellectual property rights** and payments;

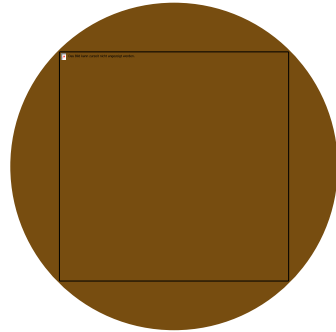
From an impact perspective, with mature global markets improving performance in Kenya means lower performance in other countries such as Ethiopia – what is the **net benefit for poor people?**

# AECF IMPACT ACROSS AFRICA IN 2016



**13m**

lives impacted in 2016



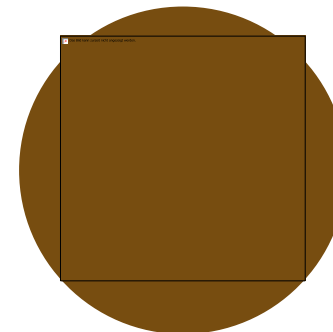
**9,000**

direct jobs created or  
sustained since  
inception



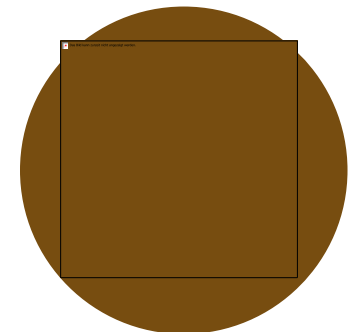
**\$88**

Net benefit per  
household 2016



**\$450m**

funds leveraged since  
inception



**257**

Companies financed  
since inception