

# AgDevCo

**Critical transitions:**



**Innovation:**

Impact investing

**Geographic focus:**

Sub-Saharan Africa

**\$:**

\$126 million portfolio; \$15 million Smallholder Development Unit



The nursery at Gullele Botanical Gardens, Addis Ababa, Ethiopia, where the staff hope to sell indigenous plants they grow to the community. Abbie Traylor-Smith for Panos Pictures/Gullele Botanical Gardens, Addis Ababa.

Founded in 2009, AgDevCo is an impact investor supporting the development of agribusinesses in sub-Saharan Africa. The company provides patient capital in the form of debt and/or equity to African-based companies that have the potential to achieve far-reaching development impact. Their ultimate vision is a thriving commercial agriculture sector which benefits both people and planet. AgDevCo contributes towards this vision by investing in and supporting early stage agribusinesses (debt and equity of \$2–10 million) to create jobs, produce and process food and link farmers to markets. They provide hands-on technical assistance to help build sustainability and bankability in these businesses. AgDevCo’s current portfolio has \$126 million of committed funds into 50 companies. To date, AgDevCo’s investments and technical assistance (current and exited investments) have engaged 516,000 (37% women) small-scale farmers and created or sustained 15,000 jobs (22% women).

AgDevCo has a dedicated Smallholder Development Unit (SDU), launched in 2015. The SDU is a \$15 million, five-year project to increase the productivity of, and facilitate market access for, smallholder farmers through out-grower schemes. The scheme provides grants and technical assistance to de-risk smallholder farmers through out-grower schemes across Ghana, Malawi, Mozambique, Senegal, Sierra Leone, Tanzania, Uganda and Zambia. SDU is supported by the Mastercard Foundation (90 percent) and FCDO (10 percent).<sup>26</sup> AgDevCo’s Smallholder Development Unit is currently on track to meet its goal of supporting 25 agricultural enterprises, benefiting 381,000 smallholders (half of whom are women) by 2020.<sup>27</sup>

AgDevCo also provides core businesses support to its investment portfolio via its in-house team of specialists in Agriculture, ESG and Enterprise Development (finance, tax and business administration). These specialist teams provide support throughout the investment lifecycle and ultimately help to ensure portfolio businesses are agriculturally sound, sustainable and adhere to the highest ESG standards.

AgDevCo is currently fundraising for up to \$16.5 million to fund a new Technical Assistance Facility, which combines the inclusive TA of the Smallholder Development Unit with the core business support to develop high quality technical assistance projects to enhance financial and impact returns.

**Stakeholders:**

DFID; Mastercard Foundation

**Status:**

● Operational