The Agribusiness Deal Room (ABD) at the African Green Revolution Forum (AGRF)
Readout and Discussion

An initiative by AGRA and partners

The Agribusiness Deal Room delivery occurs in 3 phases throughout the year

A

Deal Room preparation

- **Deal Room design**: Engage with AGRA, its partners and the event organizer to design themes that will encourage collaboration and leverage partnerships
- **Convening partnerships:** Identify AGRA partners, map their needs, and support the development of partnership platforms
- **Coordinate AGRA resources:** Engage AGRA in-country teams to align their competencies with the Deal Room design

B

Facilitate substantive connections in AGRF Deal Room

- **Vibrant Deal Room:** Facilitate meaningful dialogue between parties. This will be informed by: (i) investment opportunity pipeline, (ii) Target country investment climate/priorities, (iii) AGRA investment priorities, and (iv) AGRA partner insights

C

Post-AGRF portfolio monitoring

- **Develop a mechanism to capture and follow-up** on transactions and investor interest post-Deal Room. This will provide a **structured way to gather information** on actions which emerged from the Deal Room and **facilitate ongoing dialogue** among interested parties to remove obstacles that could impede financial closure

Vision: Build the premium platform for Deal origination in African Agribusiness

Leveraging the AGRF as the premier forum to convene stakeholders in African agriculture

September 2020
Kigali, Rwanda

AGRF Agribusiness Deal Room

Theme:
Feed the Cities, Grow the Continent – Leveraging Urban Food Markets to Achieve Sustainable Food Systems in Africa

The objective of the Agribusiness Deal Room is to support partners in driving "new business deals and commitments"

- The Agribusiness Deal Room is a platform to provide agribusinesses and governments with:

Access to finance | **Mentorship** | **Knowhow** | **Solutions to support growth**

- This is achieved through a combination of project preparation, pipeline development, project bankability, investment promotion, and enabling policy environment

Core partners are instrumental to bringing the Agribusiness Deal Room to life

idh the sustainable trade initiative; USAID; Crossboundary Advisory; IFAD; Tony Blair Institute for Global Change; AGRA Growing Africa's Agriculture; gain Global Alliance for Improved Nutrition; aecf; IFC International Finance Corporation World Bank Group – Creating Markets, Creating Opportunities; SAFIN; GROWAFRICA

The deal room facilitates substantive dialogue and connections among the four key stakeholders

Enterprises
Investors
AGRA & other partners
Governments

Expand Partnership platform: AGRA will engage with a broader range of coalition of partners with unique competencies to deliver a targeted & year-round platform

		Potential partners*	Lead*
Support team	Support team responsible for: • Managing stakeholder (private & public) relationships • Coordinating monthly calls with partner & implementing organizations • Submitting quarterly reports with status update on platform progress • Aligning with overall AGRF secretariat on logistics for the AGRF Deal Room event	AGRA Growing Africa's Agriculture	RDB Rwanda Development Board
SME Matchmaking	• **500 SMEs** Sourced and profiled with investment opportunities **200** active in Dealroom • **50** Investors profiled • Developing SME masterclass session	aecf, IFC, GIIN	aecf, Crossboundary Advisory
Government Platform	• Supporting **15 governments** in preparing their investment opportunities and presentations • In-country engagement	Dalberg, BCG, McKinsey&Company	Tony Blair Institute for Global Change
Sourcing in Africa	• Show case some successful initiatives form 2019 dealroom & Announce new Africa sourcing commitments • Showcase 3 new initiatives in value chains, logistics and regional food trade	GrowAfrica, World Economic Forum	idh
Enabling Environment and investment dialogues	• **2** Roundtables on Investment challenges • Actionable roadmap to address bottlenecks across the agriculture value chain	African Development Bank Group, Aspen Network of Development Ent, World Bank Group	Dalberg
Knowledge sharing	DFID/CASA Investment Summit	The Rockefeller Foundation, Bill & Melinda Gates foundation	CASA Commercial Agriculture for Smallholders and Agribusiness
Deal Room Partner Platform	• Developing a partner engagement model incl. nature of participation i.e., in kind and/or cash budget support	USAID, UKaid, The Rockefeller Foundation, Bill & Melinda Gates foundation	AGRA Growing Africa's Agriculture
Virtual Platform	• Developing and managing an ongoing virtual platform that will run in parallel to the Agribusiness Deal Room	Microsoft, AsokoInsight, intellecap	Bonrezo The Good Network
Portfolio Monitoring & Investment Facilitation	• Monitoring deals and offering transaction advisory support to 5 transactions to bring deals to financial close	TechnoServe, aecf, Open Capital Advisors	Crossboundary Advisory

*Indicative

The Deal Room in 2019 was an important milestone

2019 Deal Room by the numbers

- **> 1000** opportunities received, **117** companies profiled
- **250** scheduled meetings
- **US$804M** total private capital needs facilitated
  - US$7M average investment needed
  - US$1M median investment needed
- **US$2.3 bn** public capital needs presented
- **580** Whova "AGRF Deal Room" event users
- **US$200M+** executed commitments from private and public sector stakeholders that will be used to develop and strengthen supply chains
- Estimated **500+** investor hours saved by presenting a bankable pipeline in the Deal Book

"Planning the deal room has been a fantastic idea that has enabled us to reach potential investors not only from Kenya. It has made it easier to meet some organizations we've been looking for in vain."

- Faith Mulwa, Dodore

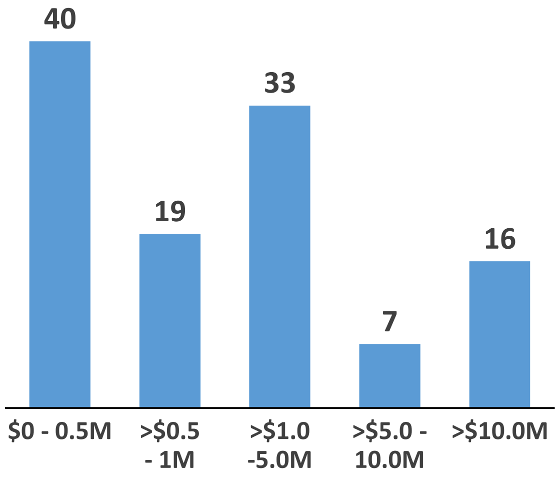
"With patience and working with the organizing team, we were able to speak to 10 investors in the 2 days we were there. In the end, the positive energy and willingness by everyone to make it work made it a super experience."

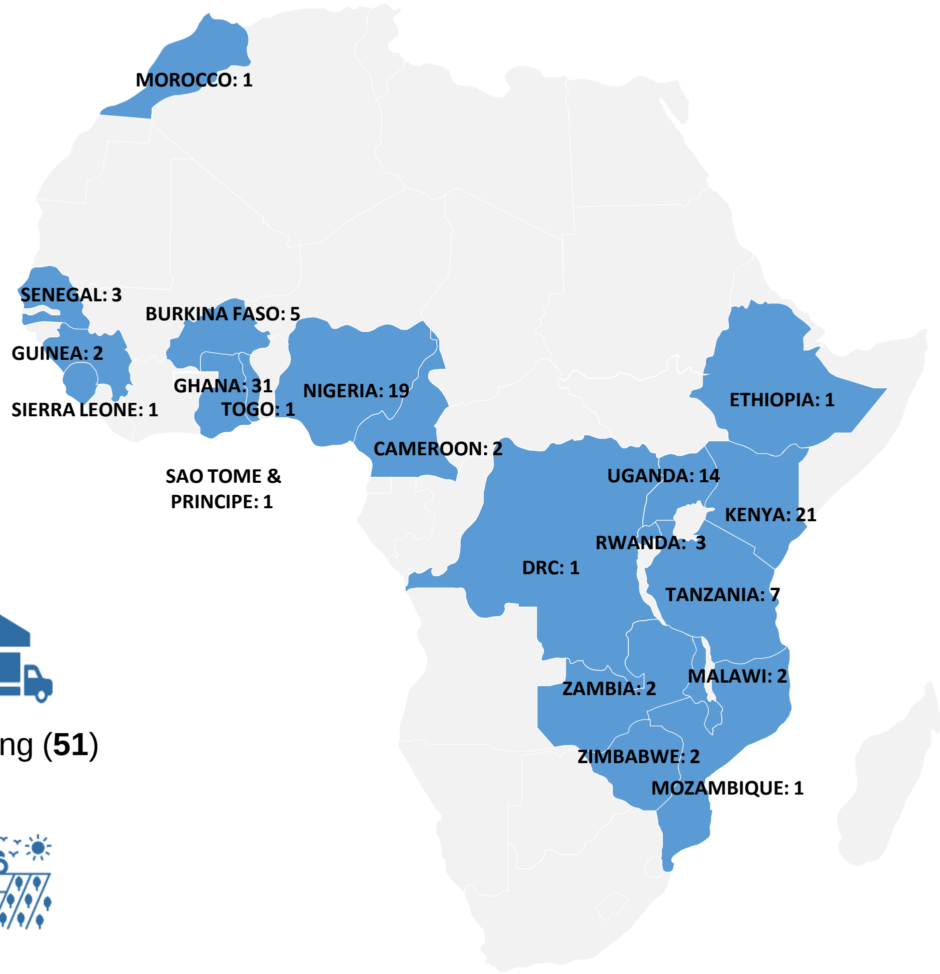
- Tei Mukunya, Azuri Health

The Deal Room featured a deliberately diverse set of agribusiness transactions from across Africa

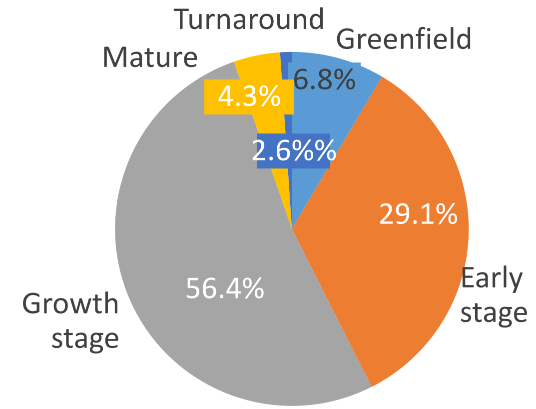
Total = 117 enterprises*

Fundraise amount (#)





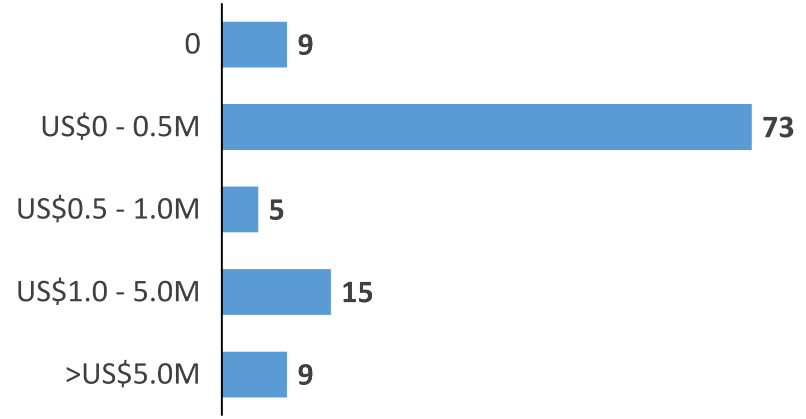
Stage of the business



Value chain sectors

Inputs (**11**)
Primary Ag. (**10**)
Enabling (**51**)
Value add (**45**)
Training (**3**)
Other (**4**)

Annual Revenue (US$M)



*Following a review of >2,000 enterprises. Of the 117 enterprise profiled, there is some overlap in the focus value chains and country of operation. In addition, some enterprises did not indicate the fundraise amount

Still progressing in 2020: AGRA continues to track transactions that emerged from the Agribusiness Deal Room at the AGRF 2019 to ensure implementation of agreed next steps and to facilitate ongoing dialogue

The Agribusiness Deal Room at the AGRF aims to achieve new business deals and commitments. The Deal Room provides companies in the agriculture and agribusiness sectors with access to finance, mentorship, and market entry solutions to support their growth objectives, through a combination of project preparation, pipeline development, project bankability, investment promotion, and enabling policy environment. By tracking the progress, the team is able to identify obstacles that could impede financial closure as well as share insights on enabling environment activities that have the potential to catalyze further investment in agricultural transformation.

Summary of deals engaged in the ABD @ the AGRF 2019

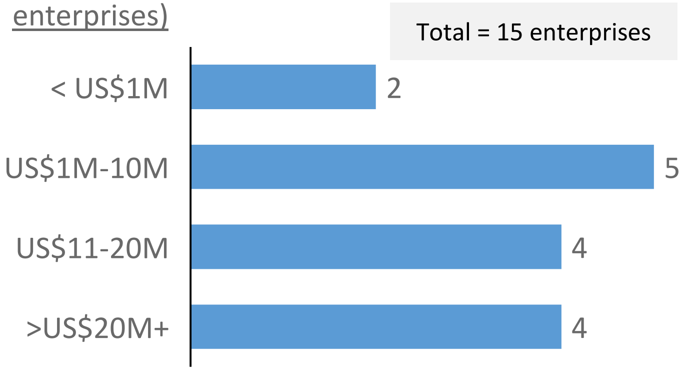
- 117 SMEs profiled (US$804 million)
- 44 received investor interest (US$455 million)
- 15+ active engagements (US$230 million)
- 4+ Likely to reach financial close (US$15+ million)

Active Engagements

500K+ Smallholder farmers impacted

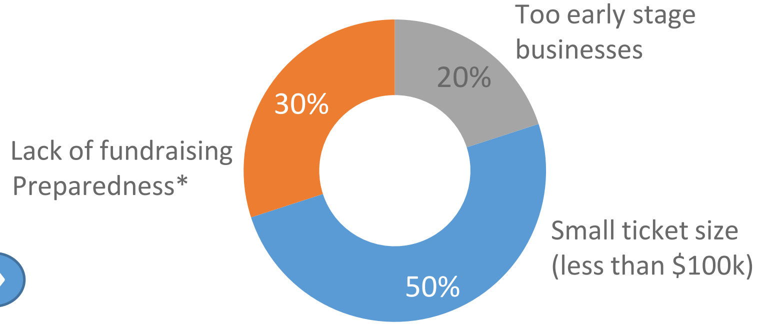
20+ Active investors engaging

Fundraising spread in active portfolio (# of enterprises)



Barriers to transactions close

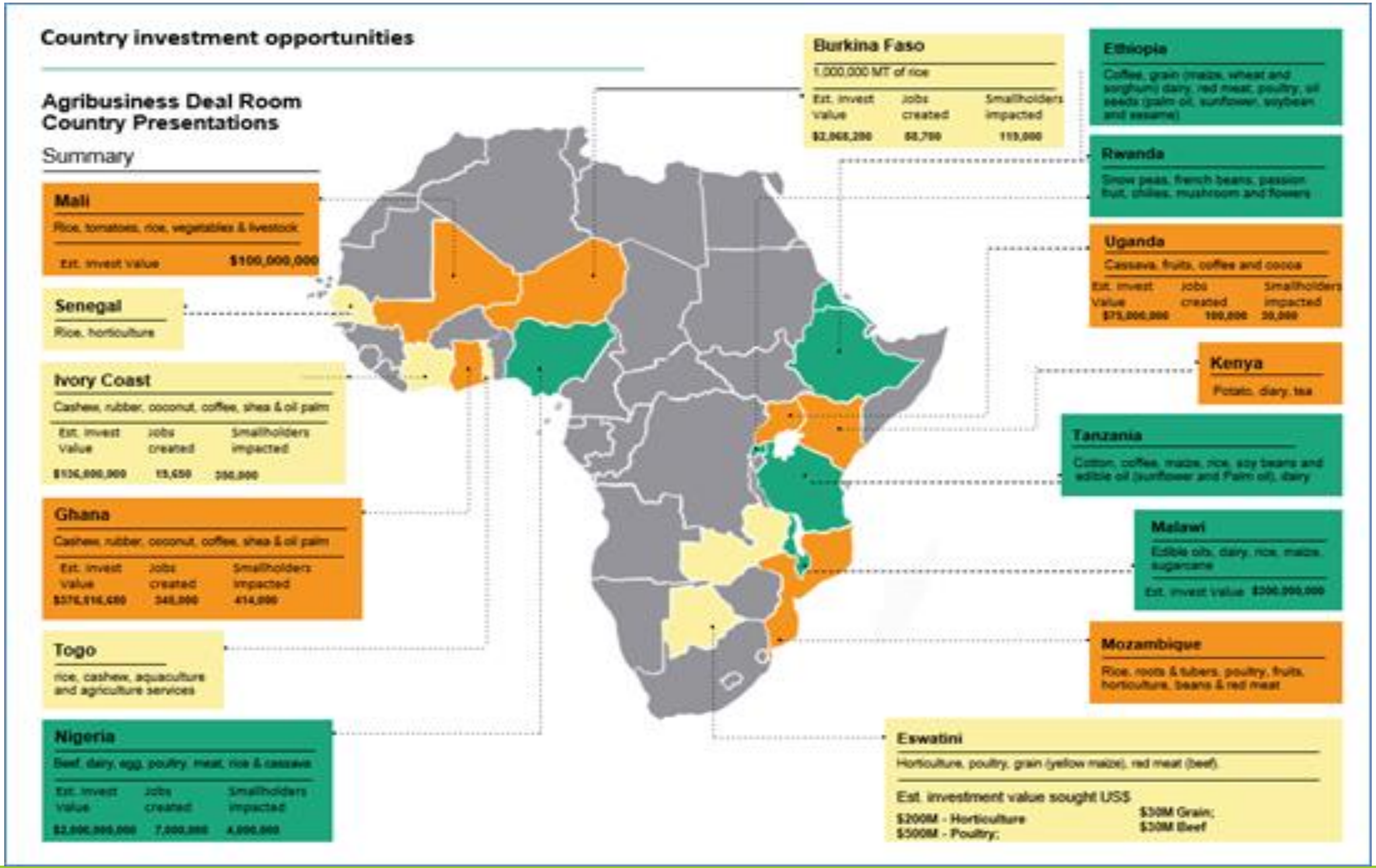
Reason for transactions not progressing (%)



- **Small ticket sizes:** Most investors had a stronger preference for larger ticket sizes ($100k and above)
- **Lack of fundraising preparedness:** Many enterprises had limited understanding of the fundraising process and lacked necessary fundraising materials*
- **Too early stage businesses:** Investors had low appetite for early stage business (e.g. greenfield, pilot stage businesses)

*Enterprises do not have fundraising experience or material (e.g., investment memos, teasers, business plans, financial models etc.) that are required by potential investors

@AGRF2019 17 countries presented investment opportunities worth $3.2 bn



Sourcing from African farmers

- Showcase Service Delivery Models which provide services such as training, access to inputs and finance to farmers to improve farmers performance, and ultimately their profitability and livelihoods

- Build a coalition of willing partners of value chain players in agri-commodities who see service delivery as part of their core business, rather than something requested by the buyer or simply a way to create farmer loyalty.

- Showcase the successful implementation of 2019 commitments

- Announce new commitments by global firms committed to sustainable sourcing from Africa

- Host 3 panels on Value chains, Logistics and Regional Food Trade

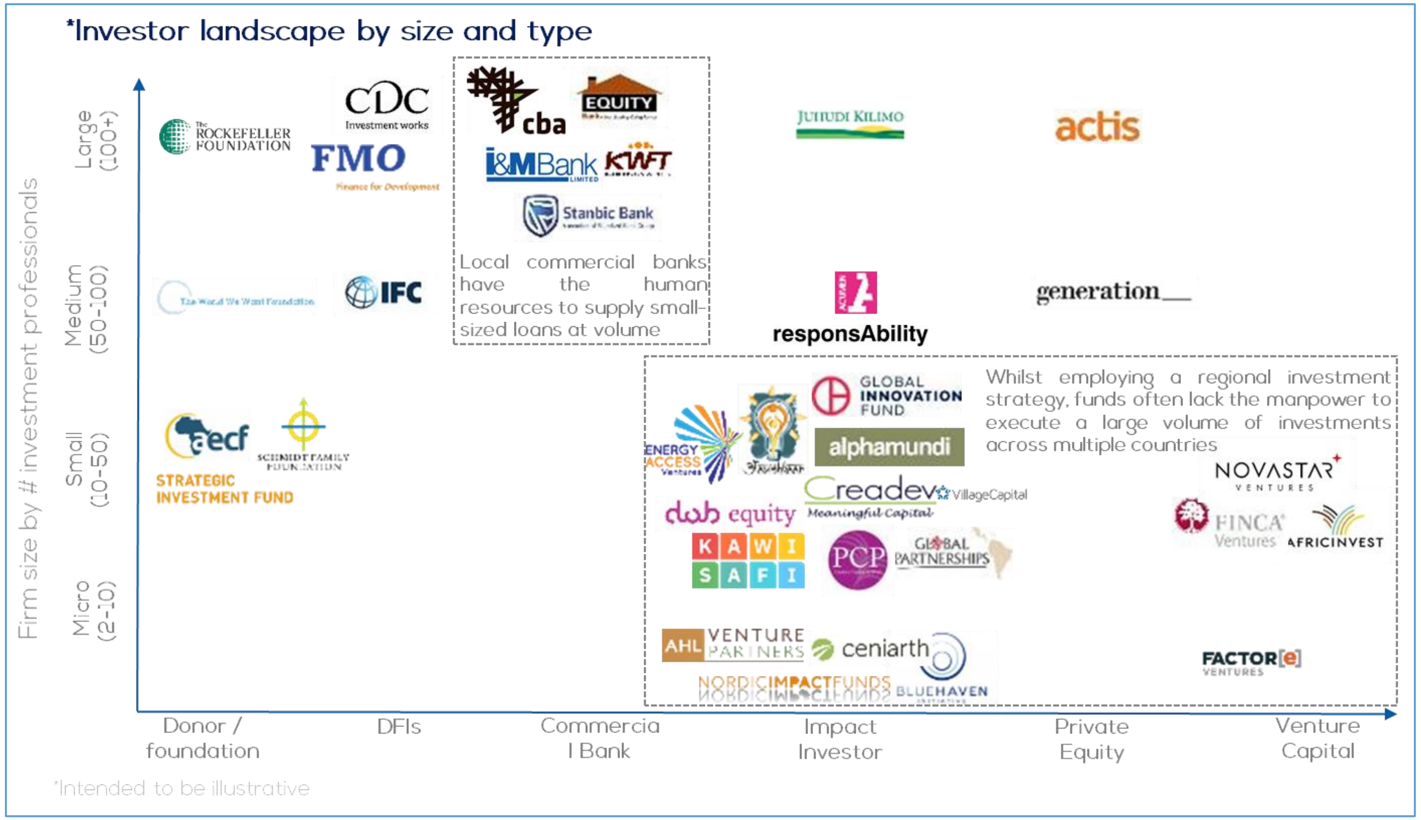
What type of SME agribusinesses will attend the Dealroom and why?

Early stage companies	High Growth companies	National companies	Regional Champions	Multinationals
Early stage companies with a proven product/service model. Seeking funding to support them take their product to a larger market/customer base. Turnover < $ 5m	**High Growth companies** on a trajectory and seeking to either expand their customer base, product offering, market or a combination of the above. $ 5m<Turnover <$50m	Well established **National companies** that are leaders in their segments/sector within a country and with revenues of anywhere up to Turnover < $ 100m	**Regional Champions** sometimes diversified with operations in multiple countries within Africa with potential to also become global leaders with revenues of less than USD 5B p.a. C	**Multinationals** with economic interests in Africa either directly or through subsidiaries/agencies. Mostly multi-billion dollar revenue companies (over $ 1Bn)
Capital (loans), partnerships, exposure, mentorship capacity building, TA	Capital (equity), partnerships, capacity building, TA	Partners, TA, public engagement, knowledge, network	Partners, TA, public engagement	Public and private partners, engagement, value chain partners, industry insights

A diverse set of investors and financial instituitions will be targeted to attend the Deal Room

The ABDR will identify and engage broad range of Investors to match various investment needs in the ecosystem

- **AGRA's inclusive finance partners** such as ABC Fund, AECF, GAIN, and Grow Africa
- **Bilateral Development Finance Institutions** (DFIs) such as CDC Group, IDFC, KfW / DEG, FMO, Norfund and AFD / Proparco
- **Multilateral DFIs** such as the African Development Bank (AfDB), European Investment Bank (EIB), and International Finance Corporation (IFC)
- **Emerging Market Private Equity Funds** such as AgDevCo, Kibo Capital, Mediterrania Capital, Ascent, AHL Venture Partners, Exeo Capital, and LGT Impact
- **Family Offices** such as DOB Equity, Blue Haven Initiative, and Ceniarth
- **Banks and MFIs** such as Equity Bank, Barclays Bank, Standard Chartered Bank, Ecobank, Premier Credit, Letshego, and Platinum Credit



A Virtual Deal Room will ensure year round match-making and engagement

Networking & Community building

Platform to maximize connectivity, newsfeeds visibility of agripreneurs, investors and partners

Matchmaking

Goal-oriented bi-lateral meetings to deliver connectivity (deals, partnerships, assistance) Tracking outcomes

Capacity building, dialogues & knowledge sharing

Webinars, pitch sessions, industry trends and workshops to exchange information, address issues, build capacity and highlight constraints

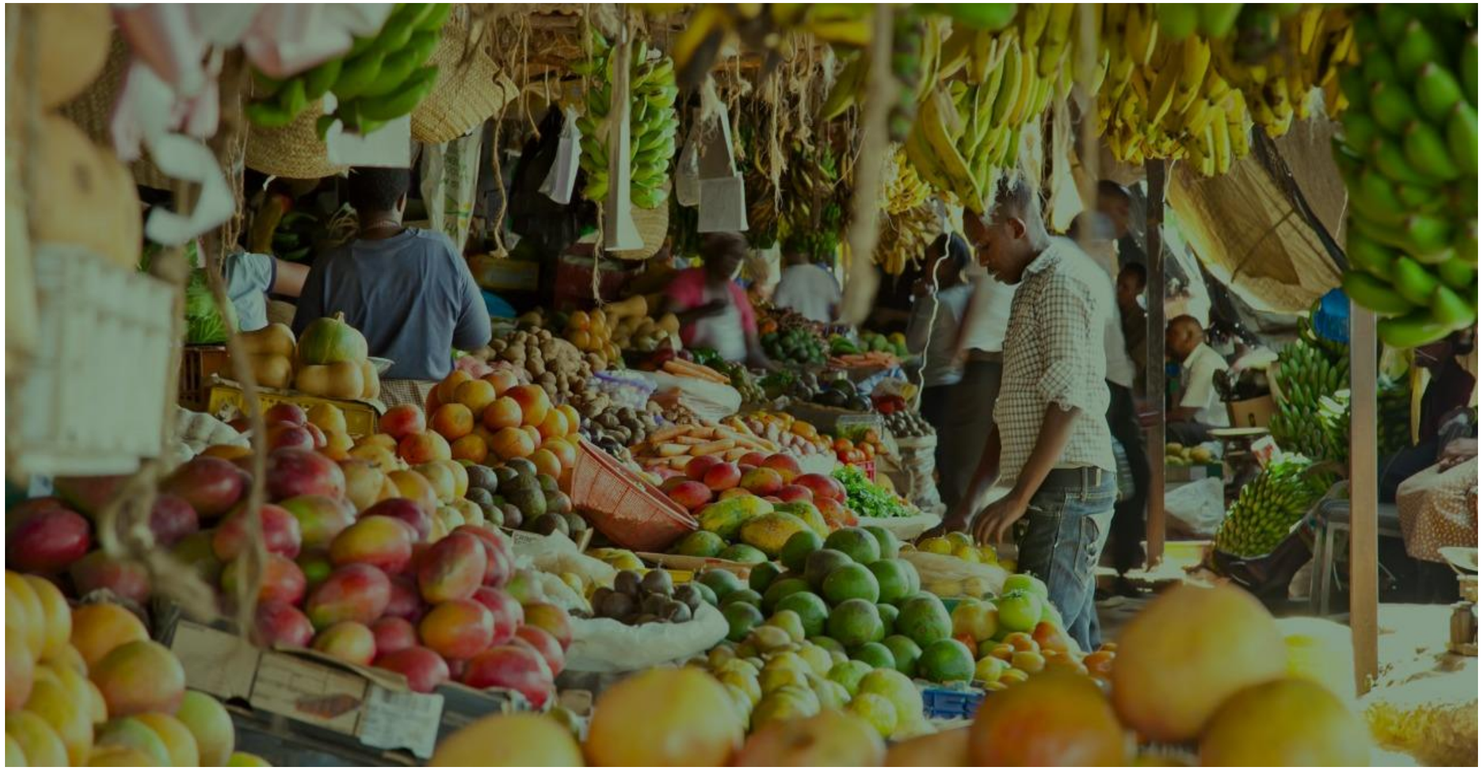
Investment database

Profiles of investment opportunities, announcements of successful deals, publications and program announcement

Data collection & reporting

Participant surveys and analytics, Reporting on deal, tracking engagements, dynamic data

AGRF 2020 Theme



FEED THE CITIES, GROW THE CONTINENT

Leveraging Urban Food Markets to Achieve Sustainable Food Systems in Africa

Faith Mulwa, Chief Finance Officer, Agri-Wallet

7 deal room meetings with investors and three meetings with SME’s.

“We had been targeting some of these investors for a very long time and have not been able to get hold of them.”

40%

We are committed to ensure that 40% of the ABD consists of female owned businesses, reflects female corporate leadership and provides access to finance, income opportunities and services to women

“We need more investors for smaller ticket sizes”

Stacy Enyame, Founder and CEO Snacks of Africa (SOA)

10 meetings in the Deal room seeking $100k in finance for capital expenditure and acquire regulatory certifications to enable the start-up to scale

Preparing your country team for the Deal room

What type of investment opportunities are governments pursuing?

Identify key investment "types" and match opportunities to the appropriate investors

- Feedback was that focus centered on 1 & 3 below, without an appropriate space for 2, which is a key priority for govts, and 4 which is an important point for the private sector
- Some IPAs felt that the pool of operating investors (businesses looking for market entry) was insufficient, with emphasis on major donors & impact sector

Introductions are valuable, and can be supported by longer-term engagement

- More year-round platform for connections and engagement, with efficient low-touch intermediation, could create a larger window of opportunity
- Use the Virtual Deal Room to strengthen a year-round platform?
- More showcasing of successful private sector led model could be really interesting

Investment Types	Target Investor	Notes
1 PPP/projects (government sponsored)	Mix of Financial & Operating Investors	• So-called "bankable projects", large government backed projects • Common challenge is heavy government participation deters purely private investors • Long-term and low-frequency updates
2 Subsector/value chain greenfield investment	Operators (MNCs, mid-tier/regional)	• Pitch is a well-researched value proposition for private operators • Often a key priority for govts looking to develop new sectors • Only relevant for operating businesses seeking growth (not relevant to financial investors seeking a target company)
3 SME/Startup Fundraising	Financial Investors (e.g. PE/VC, foundations)	• Government can support intermediation but typically not a core competency (better via private intermediation given capabilities and conflict of interest issues) • Requires addl. support from outside partners to be effective
4 Access to market deals	Buyers (international, regional)	• Facilitating deals between African growers and processers and international buyers (eg. Rwanda Gorrilla Coffee deals in China)

Source: TBI

How will the engagement of the delegation in the Deal room look like?

In the country session

- Each country is awarded a 1 hour slot in the Deal Room to present investment opportunities to circa 50 participants
- Governments are free to design the session. However we encourage that the session consist of the following elements:
  - A short generic session on your country as an investment destination
  - A deeper dive into specific value chain and investment opportunities
  - Case studies of successful investments
  - A question and answer section

  Please make your presentation short and interactive. Feel free to bring any additional promotion material

In the bilateral meetings

- Country delegations will have access to a bilateral room to engage directly with investors
- Prior to the AGRF you will be provided with access to a virtual platform to upload your pitch for prior viewing by investors and you will be able to schedule meeting directly with investors and other participants. Investors and other stakeholders will also reach out to you based on the information on your country presentation provided to them beforehand. Please bring as much detailed information for the bilaterals that might interest investors
- After the AGRF. The Deal Room Secretariat will be tracking all the investor conversations that took place at the AGRF. Aim of this tracking is to identify opportunities for AGRA and partners to provide support to facilitate completion of “transactions”.

In the investment dialogues

A delegation might also be invited to participate in a round table or dialogue with a selected portfolio of investors and companies to have an interactive dialogue with specific investment bottlenecks or opportunities. The investment dialogues are invitation only and the agenda is designed in close collaboration with the country team and investors. Country teams are encouraged to initiate investment dialogues to further strengthen their profile in the deal room. I.e. in 2019 Ghanaian investors in organized a session on the poultry sector in Ghana and regional opportunities, with strong support from the ministry of Agriculture in Ghana.

What are the expected deliverables per country?

Partner coalition

Identify critical partner coalitions that support delivery of government engagement

Portfolio of 10 SMEs

Full profile of 10 SMEs submitted to the Deal room and participation in a capacity building session

Pitch session

At least one pitch session to potential investors by governments and local private sector

Monthly reporting

Monthly reporting on the progress of the Deal room participants and investor engagements

Country level convening

Gather partners at least 2x to plan and deliver on the deal room

Government Pitch documentation

Document with priority investments to facilitate investor engagement

Well prepared government delegation

Engaged government representatives that well prepared for investor engagement and policy discussions

What Actions are required towards AGRF?

- **Mapping and profiling** - Map the landscape of likeminded and/or complementary in-country initiatives for the purpose of identifying synergies, driving alignment and accomplish leverage. The partner will also be responsible for the management of coordination of key in-country partner initiatives, i.e. AGRF and ABD partners.

- **Develop pitch document** - Translate available information into communication and pitching tools for clear and investable opportunities (i.e. pitch decks, brochures)

- **Design Escalation -** Design, or leverage and facilitate an escalation mechanism for preparation and acceleration of follow up, negotiations and transaction closure. This includes cross-ministerial coordination and engagement.

- **Investor Relations -** Support outreach and follow up with critical investors and stakeholders. This includes establishment of a contact database, email templates pro-active outreach & follow up and design and implementation of a event engagements with investors**.**

- **In Country convening -** organize key partners/ stakeholders meetings and drive communications and follow ups on key issues, ensure seamless running of activities and ensure milestones and timelines for various deliverables are effectively met.

- **Supporting the delegation -** Support outreach and follow up with critical investors and stakeholders :-establishment of a contact database, email templates pro-active outreach & follow up and design and implementation of a event engagements with investors.

- **Monitoring -** The partner is expected to generate periodic progress reports for the benefit of key government officials, AGRA and other partners

- **Transaction Facilitatio**n - To filter proposed government investment opportunities for investment readiness, feasibility and investor appetite