

**Title: Feasibility and design of an agribusiness investment fund for West Africa**

**Date:** 2007 – 2008

**Client:** Alliance for a Green Revolution in Africa (Rockefeller Foundation/ Bill & Melinda Gates Foundation)

**Country / Region:** Nigeria, Ghana, Mali, Burkina Faso and Niger

CEPA advised AGRA on the feasibility and design of an agribusiness fund for West Africa covering Nigeria, Ghana, Mali, Burkina Faso and Niger. The proposed fund is a part of AGRA's Program for Africa's Seed Systems (PASS) initiative that aims to develop efficient seed system value chains in 13 Sub-Saharan African countries, with an overall objective of improving food security and increasing incomes.

The first phase of the work involved an assessment of the investment opportunities in smaller-scale agribusinesses in the context of the market gap for provision of risk capital. The work in this phase was based on field visits to the West African countries to assess the need and define the scope of the agribusiness fund. Our assessment concluded on the positive feasibility for the fund, based on the combination of a market gap (for risk capital financing for SME agribusinesses) and appropriate opportunities (in terms of a conducive policy/ regulatory/ investment climate, and growing potential of private enterprise across the agricultural value chain in the target countries), as well as the overall fit within the strategic objectives of PASS and the broader aims of the Bill and Melinda Gates and Rockefeller Foundations.

Given the positive feasibility, the second phase of work involved the detailed design of the fund including an assessment of the fund economics, assessment of potential co-investors and fund managers, drafting of an investment policy, operating policies and procedures. CEPA recommended a small initial fund size for investments, supported by a dedicated fund for technical assistance for the agribusiness SMEs.

**Links:**

- [Alliance for a Green Revolution \(AGRA\)](#)
- [The Rockefeller Foundation](#)
- [Bill and Melinda Gates Foundation](#)