

The G20 “AgResults” Initiative

At the 2012 G20 Summit in Los Cabos, Mexico, a new initiative was launched to harness private sector creativity to enhance food security and agricultural development in the world’s poorest countries. AgResults uses results-based economic incentives to promote competition amongst private sector actors to cultivate and market agricultural technologies in developing countries. This endeavor is the outcome of commitments made at the 2010 G20 Toronto Summit. After two years of evaluating various strategies and potential projects, on June 18, 2012, \$100 million was committed by the governments of Australia, Canada, Italy, the United Kingdom, the United States, and the Bill & Melinda Gates Foundation. The initiative will be managed by the World Bank.¹

Goal

To foster private sector agricultural innovations that will help developing countries to:

- Improve food security and food safety.
- Increase smallholder incomes.
- Promote better health and nutrition.²

Pilot Projects

AgResults will conduct pilot projects over several years to better understand a diverse mix of agricultural and food security issues as well as test pull mechanisms in various regions. The criteria for pilot proposals stipulate that each project will:

- Utilize pull mechanisms, which reward innovators after achieving specific results.
- Address a specific market failure.
- Focus on improving food security by supporting smallholder farmers in developing countries.
- Realistically function in a given time frame.³

The initial set of pilot programs will concentrate on maize production in Sub-Saharan Africa focusing on three areas:

Developing a market for new types of vitamin A-enhanced maize in Zambia.

NGO HarvestPlus is the developer of ProVitamin A (PVA) maize and will manage the initial project. This initiative will target local industrial millers to support long-term demand for PVA maize in mainstream secondary markets.

Improving on-farm crop storage technologies for smallholder maize farmers in Kenya.

This project will offer prizes for developing and selling suitable storage capacity products in Kenya’s Rift Valley and Eastern province.

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Supporting the distribution of a successful technology to reduce aflatoxin contamination in maize in Nigeria.

The preliminary participants are input suppliers Premier Seeds and Maslaha Seeds. It will later include other maize contractors who are able to support production inputs, provide technological services and act as buyers for small-holder farmers.⁴

Pull Financing

AgResults is based on a results-driven funding model that rewards innovators for tackling problems in food security and agricultural development. What distinguishes AgResults from traditional aid programs is its use of “pull mechanisms.” A pull mechanism can incentivize innovation, utilize the private sector and ensure effective aid delivery. Pull financing overcomes market failures by rewarding innovators for their creative solutions only after they have achieved specific desired results. This strategy of solving development problems through fostering competition has been successful in addressing other critical market breakdowns, particularly in transforming the production, supply and pricing of life saving vaccines.⁵ In addition to its specific project objectives, AgResults will test the effectiveness and efficiency of “pull” financing in comparison to alternative development approaches to better understand how this mechanism can resolve food insecurities.

The Scoping Phase

Since the 2010 Toronto G20 Summit, AgResults has been in its Scoping Phase to assess the most valuable pull mechanisms and how they relate to agricultural development issues around the world. During this process, the World Bank evaluated over three dozen proposals from twenty four experts. In early 2012, the Secretariat narrowed the initial pilot projects to the three that had the most well established business and development plans. Project teams have conducted deeper market and stakeholder analysis to strengthen these current initiatives.

The scoping phase was governed by four bodies:

- A **Steering Committee** of government and donor representatives to provide oversight and make final decisions about pilot projects.
- An **Expert Advisory group** of eleven international experts who conducted the technical work and made final recommendations to Steering Committee.
- **Four Thematic Groups** made up of a total of twenty four experts focused on:
 - Inputs and Increasing Yields
 - Outputs and Post-harvest Management
 - Livestock
 - Nutrition
- A **Secretariat** from the World Bank to oversee technical and coordination support throughout the Scoping Phase.⁶

The Next Steps

After the preliminary pilot projects centered on maize in Sub-Saharan Africa are underway, AgResults will begin initiatives dealing with livestock vaccines and fertilizer innovation. Future pilots will likely concentrate on increasing crop yields, decreasing post-harvest losses, increasing livestock productivity and improving nutrition.⁷

References

¹ *AgResults: Innovation in Research and Delivery*. The Government of Canada. press release. July 19, 2012 at Reliefweb, see: <http://reliefweb.int/node/504653>.

² The World Bank. (2012). *AgResults: Innovation in Research and Delivery. Draft Concept Note*. The World Bank. June, see: http://siteresources.worldbank.org/CFPEXT/Resources/AgResults_concept_note.pdf

³ The World Bank. (2011). *Agricultural Pull Mechanism Initiative (AGPM): Criteria for Evaluating Proposals*. The World Bank, see: http://siteresources.worldbank.org/CFPEXT/Resources/WEB_AGPM_Evaluation_criteria.pdf.

⁴ The World Bank. (2012). *AgResults: Innovation in Research and Delivery Draft Concept Note*, The World Bank, June, see: http://siteresources.worldbank.org/CFPEXT/Resources/AgResults_concept_note.pdf

⁵ Elliott, Kimberly Ann. 2012. CGD Brief. *Ag Aid and Tech Breakthroughs: Pull Funding for Smallholder Productivity*. Washington D.C. Center for Global Development, see: http://www.cgdev.org/files/1426239_file_Elliott_AG_Pull_FINAL.pdf.

⁶ The World Bank. (2011). *Agricultural Pull Mechanism (AGPM) Initiative Governance of the Scoping Phase*. The World Bank, see: http://siteresources.worldbank.org/CFPEXT/Resources/WEB_AGPM_Governance.pdf.

⁷ *Innovative Fund to Boost Food Security and Farmer Livelihoods is Launched*. The World Bank. June 18, 2012, see: http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:23222452~pagePK:64257043~piPK:437376~theSitePK:4607_00.html?cid=3001_2 .