

Executive Board

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Update on the Africa Agricultural Transformation Initiative (AATI)

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Useful references: Establishment of a Trust Fund for the African Agricultural Transformation Initiative (<u>EB 2021/VBC/7</u>); Memorandum of understanding between the Bill & Melinda Gates Foundation, McKinsey & Company Inc. Kenya, Alliance for a Green Revolution in Africa and the International Fund for Agricultural Development (<u>EB 2022/135/R.28</u>); Memorandum of understanding between the Bill & Melinda Gates Foundation, McKinsey & Company, Inc. Kenya, Alliance for a Green Revolution in Africa and IFAD (EB 2022/136/INF.2).

Action: The Executive Board is invited to take note of the progress achieved under the African Agricultural Transformation Initiative (AATI), including country-level results, partnerships and knowledge-sharing efforts; the ongoing transition to a new host institution; and the implications for IFAD's continued engagement as a founding partner. The Board is also informed that this update contributes to fulfilling the reporting requirements set out in paragraph 13 of the AATI trust fund instrument.

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For more information on African Agricultural Transformation Initiative, please visit https://africa-agricultural-transformation.org.

Update on the Africa Agricultural Transformation Initiative (AATI)

A. Background

- 1. The Africa Agricultural Transformation Initiative (AATI) was launched in October 2021 as a multi-stakeholder initiative bringing together four founding partners: IFAD, the Gates Foundation, the Alliance for a Green Revolution in Africa (AGRA) and McKinsey & Company. In the same year, the IFAD Executive Board approved the establishment of a dedicated trust fund to host AATI resources under IFAD's administration.
- 2. AATI was designed as a five-year catalytic initiative aimed at supporting African governments in establishing or strengthening agricultural transformation agencies or similar delivery mechanisms. The objective is to accelerate agrifood system transformation by enhancing institutional capacity for the effective implementation of national priorities and investment plans. The initial focus of the initiative was to pilot engagement in two countries, with the aim of laying the foundation for learning and potential future scaling up to additional countries. The selection of the pilot countries was guided by a set of agreed criteria, including political commitment, institutional readiness and potential for strong performance. In these countries, AATI was intended to provide a comprehensive package of support encompassing visioning and strategy development, institutional strengthening, and the implementation and delivery of policies, programmes, and flagship initiatives with a view to achieving the broader objective of driving agricultural transformation.
- 3. AATI financing was secured through a US\$10 million grant from the Gates Foundation and a US\$2 million contribution from IFAD's regular grants programme, approved by the IFAD Executive Board on 6 August 2021. To date, the Gates Foundation has contributed US\$6,011,090 of its US\$10 million grant, while IFAD has contributed its full grant of US\$2,000,000.
- 4. Out of the combine total of US\$8,011,090 contributed to the AATI trust fund by the two donors, cumulative expenditure as at 30 June 2025 amounted to US\$5,063,200.

Table 1 (United States dollars)

Donor	Overall grant amount	Total contributed to trust fund
Gates Foundation	10 000 000	6 011 090
IFAD (regular grants window)	2 000 000	2 000 000
Total	12 000 000	8 011 090
Total expenditure 30 June 2025		5 063 200
Balance 30 June 2025		2 947 890

5. The grant agreement between IFAD and the Gates Foundation, which has been in force since October 2021 and expires in December 2025, provides for a review of the initiative prior to its anticipated transition to an Africa-based host institution.

- Any unspent or uncommitted funds at expiry must be dealt with in accordance with the grant agreement.
- 6. To operationalize the initiative, a dedicated central unit was established within IFAD's East and Southern Africa regional office. In July 2022, the founding partners signed a memorandum of understanding detailing their respective roles and contributions to the initiative.

B. Progress and achievements of AATI to date

- 7. As of July 2025, AATI has provided support to two agricultural delivery mechanisms in the form of agricultural transformation offices (ATOs) in Sierra Leone and the United Republic of Tanzania and has contributed to the establishment and operation of a food security "war room" in Nigeria. Dialogue with governments and missions to explore potential sources of support for ATOs or their equivalents were also carried out in collaboration with government institutions in Ghana, Kenya, Malawi and Senegal.
- 8. In the United Republic of Tanzania, the ATO was officially launched in September 2023 with the support of AATI. The initiative also co-designed the comprehensive agriculture master plan, which is structured around fifteen flagship programmes, each with clearly defined budgets and implementation strategies. Broad-based institutional support was fostered through engagement with members of Parliament and key agricultural stakeholders during a series of validation workshops. In April 2025, a contribution agreement in the amount of US\$1,082,269 was signed between IFAD and AGRA, enabling AGRA to take over the provision of support to the ATO in implementing its agreed 2025 workplan.
- 9. In Sierra Leone, the ATO was launched during the Africa Food Systems Forum in September 2024 and commenced operations in October 2024. It is currently leading a flagship study for the establishment of an agricultural investment bank, under pillar 4 of the Government's Feed Salone strategy, improving value chain data collection and management for decision-making, and helping the government to develop a plan for the rice value chain.
- 10. In Nigeria, AATI responded to a request from the Government in November 2023 to support the establishment of a food security war room within the Federal Ministry of Agriculture and Food Security. Over a four-month period, AATI deployed a dedicated team and delivered a food security dashboard, a communications plan and a data platform to enhance national-level coordination and response capacity.
- 11. Beyond country-level achievements, AATI has also invested in regional learning and knowledge dissemination. In the first quarter of 2025, it produced several digital outputs and hosted a multi-country learning retreat in Nairobi. In Togo, AATI contributed to a learning event held in June 2025 with the Agri-food Transformation Support Center which is hosted by the World Food Programme and funded by the Government of the Kingdom of the Netherlands at which AATI presented a comparative analysis from different agricultural transformation models, assessing their institutional arrangements and implications for governance in specific country contexts.
- 12. A third area of work for AATI in the past few years has been to develop partnerships and mobilize resources in support of the African agrifood transformation agenda and ATOs. The central unit at IFAD has engaged with various partners, including with the International Food Policy Research Institute, the German Agency for International Cooperation, the Mastercard Foundation, the African Agricultural Technology Foundation and the African Development Bank. For instance, AATI has collaborated with the International Food Policy Research Institute under an ongoing grant from the Gates Foundation to strengthen the United Republic of Tanzania's Agriculture Master Plan through detailed modelling and sector-focused economic analysis, including of the livestock and fisheries

sectors. Utilizing the Institute's rural investment and policy analysis modelling tool, this collaborative exercise provided a forward-looking, economy-wide analysis for the United Republic of Tanzania and served as a simulation laboratory for agricultural investments. As an example of resource mobilization, the ATO in the United Republic of Tanzania, in collaboration with AGRA, successfully mobilized US\$1.34 million from the Norwegian Agency for Development Cooperation in support of flagship programme 7 of the Agriculture Master Plan.

Transition to a new host and implications for IFAD

- In line with the grant agreement between IFAD and the Gates Foundation, the four founding partners of AATI initiated discussions in late 2024 on the future evolution of the initiative. These discussions focused on identifying a new African-led institution to host AATI and on revisiting and strengthening the initiative's value proposition and operational modalities.
- 14. In November 2024, the partners identified AGRA as a suitable host institution for the next phase of the initiative, known as "AATI 2.0". In early 2025, the President of AGRA wrote to the other founding partners to confirm the Alliance's acceptance of the hosting role, with the transition scheduled to take effect on 1 January 2026. In parallel, the founding partners commenced a review of the AATI operating model, drawing on findings from a midterm review conducted under the guidance of the AATI Steering Committee in 2024.
- To support the transition process and ensure continuity during IFAD's final phase as host, the memorandum of understanding signed between the founding partners in July 2022 has been extended until 31 December 2025.
- The trust fund established to host AATI resources, currently under IFAD administration, will remain open beyond 2025 to allow for full reconciliation of accounts once all activities still under way have concluded. Any pro rata return of unutilized funds to the Gates Foundation is expected to take place by the end of 2025, in accordance with the grant agreement. The formal liquidation of the trust fund will occur only subsequently, and any remaining unused balance will be returned to IFAD thereafter.
- While IFAD's operational hosting of AATI will conclude at the end of 2025, the Fund 17. will remain actively engaged as a founding partner. This continued involvement reflects the strategic alignment between AATI's objectives and IFAD's mandate, as well as IFAD's ongoing fiduciary role as administrator of the trust fund until its final liquidation.
- The transition offers an important opportunity for institutional reflection on IFAD's experience in incubating multi-stakeholder platforms and managing time-bound catalytic initiatives. Lessons learned from AATI will help inform the design and governance of future collaborative efforts.

D. **Next steps**

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- As the transition process advances, IFAD is working in close coordination with AGRA, the Gates Foundation, and McKinsey & Company to ensure a smooth handover and maintain the continuity of country-level support. Key action points for IFAD for the remainder of 2025 will include:
 - Finalization of financial closure procedures related to the grant agreement with the Gates Foundation and refund of the Foundation's portion of any balance remaining after final reports have been prepared;
 - Continued participation in a transition working group comprising representatives of the four partners that is supporting the AATI Steering

¹ The Gates Foundation's portion will be liquidated at an earlier stage.

- Committee in the preparation and review of documentation related to the transition to a new host;
- (c) Continued administration of the IFAD-managed trust fund to support completion and close-out activities;
- (d) Joint communication efforts to inform national governments, development partners and stakeholders of the transition to the new phase of AATI and the change in hosting arrangements;
- (e) Identification of potential areas for the specific focus for IFAD's engagement in the next phase of AATI.
- 20. The Executive Board will be kept informed, through written updates, of further developments, including updates on the transition process, financial status and key lessons emerging from IFAD's experience as the operational host of AATI.