



# Investment Blueprint

*Supporting Kilimo Kwanza*



## **SAGCOT Investment Blueprint: Key Messages**

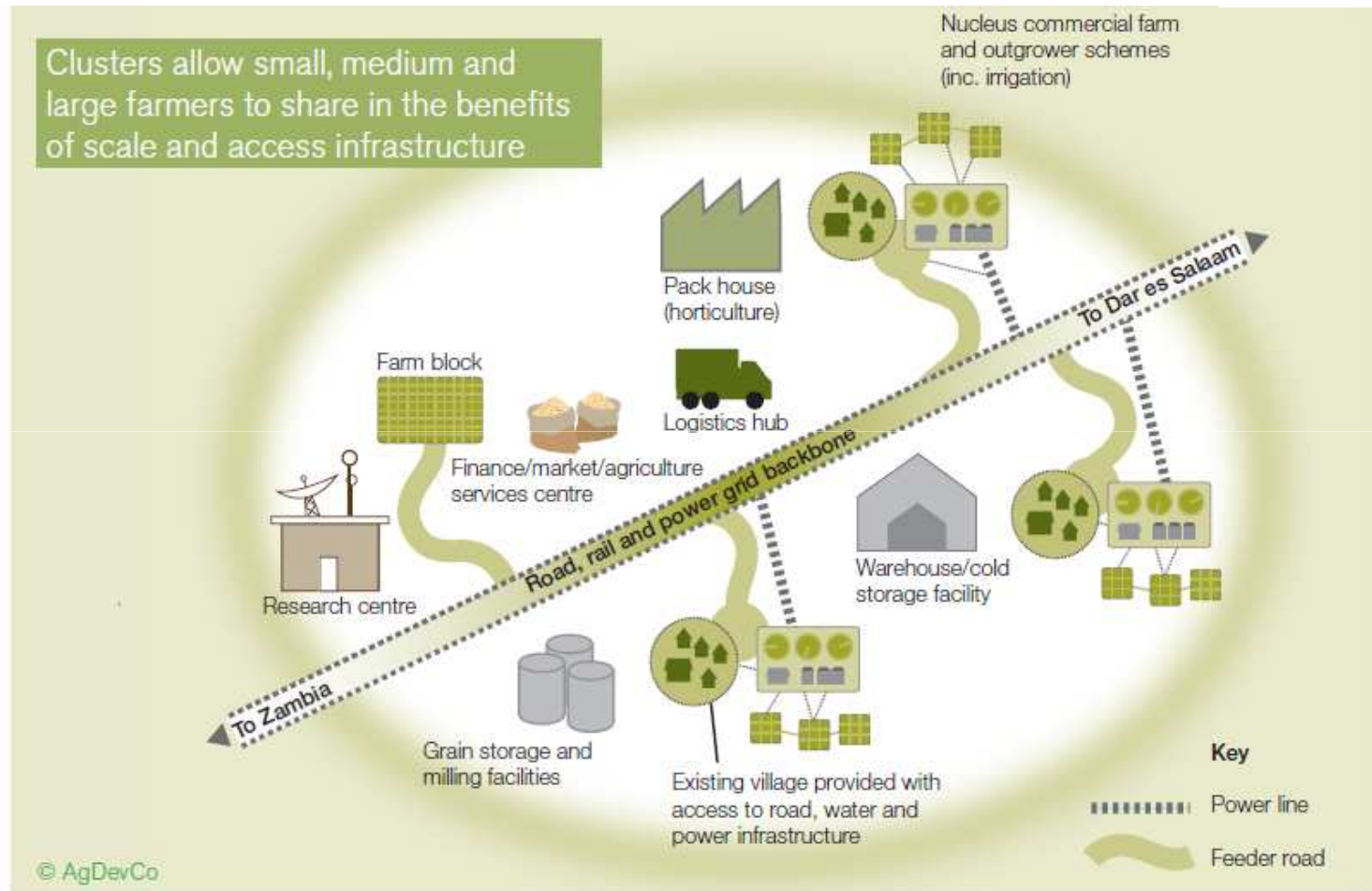
Chris Isaac, AgDevCo  
Dar es Salaam, 13<sup>th</sup> January, 2011

SAGCOT has huge agricultural potential and good “backbone” infrastructure



SAGCOT aims to unlock that potential through improved rural infrastructure and new types of finance

# There are opportunities to develop “clusters” of profitable farming and processing businesses



Agricultural clusters require simultaneous and **properly coordinated** investment by the public and private sectors

**\$2.1 billion of socially-responsible investment can be catalysed from the private sector**



## How?

**1. SAGCOT partnership organisation**, to coordinate public and private investments

**2. Innovative financing facilities**, e.g. a \$50 million “Catalytic Fund”



**Focus on developing six initial cluster areas (including “early wins”)**

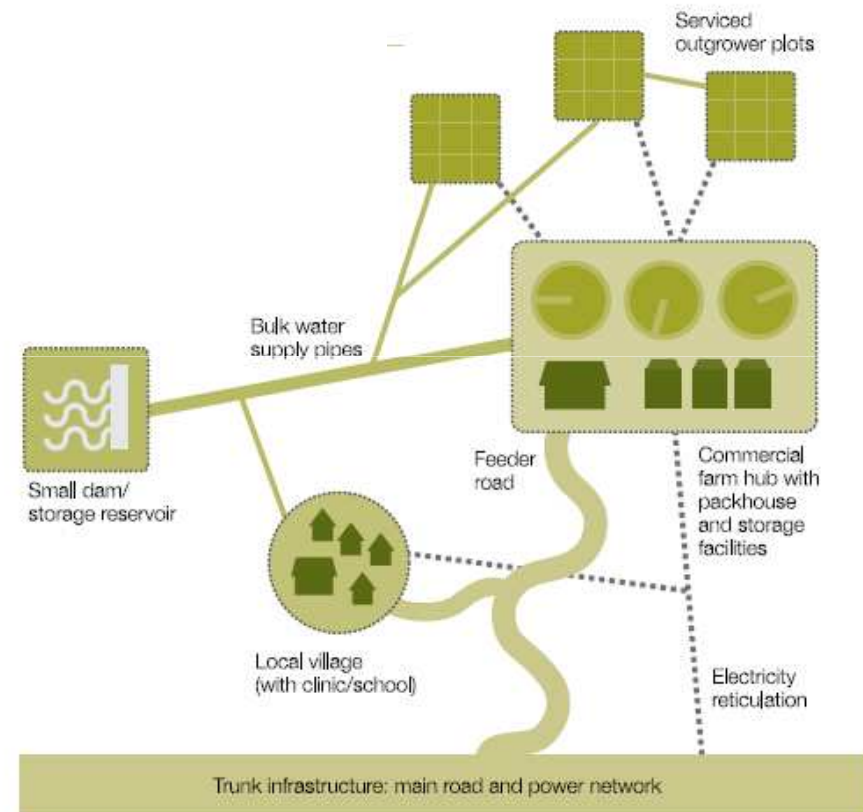
**>300,000 hectares of commercial production would achieve food security for Tanzania and the wider region and bring in annual revenues by 2030 of \$1.2 billion**

## SAGCOT's main objective is to make smallholder farming a profitable activity



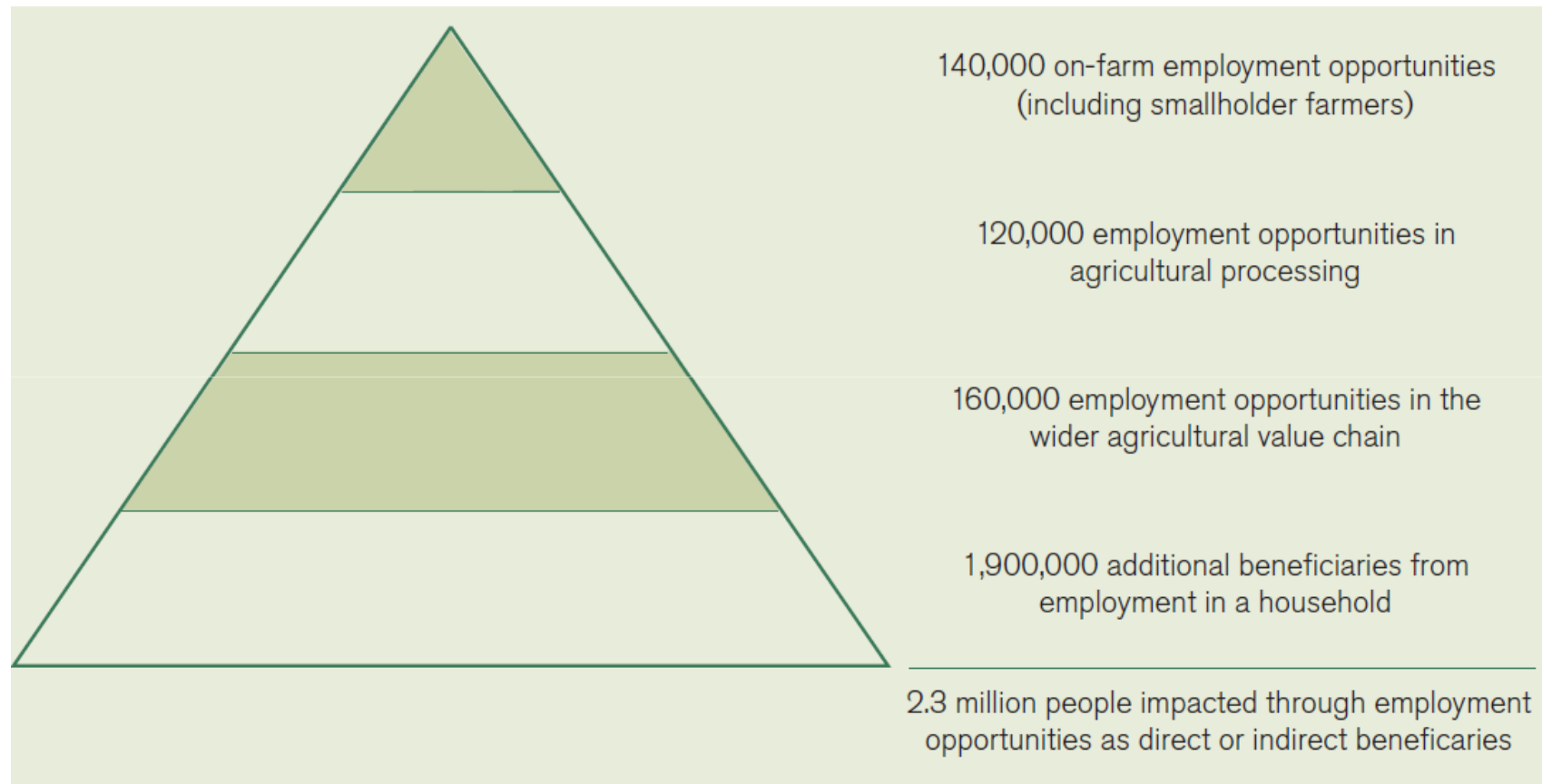
SAGCOT will incentivise stronger links between smallholders and agribusinesses:

- “hub and outgrower” models
- linking farmers’ associations to markets
- irrigated farm blocks with professional management



SAGCOT complements existing and planned agriculture programmes by the government and development partners, e.g. under ASDP and CAADP

## SAGCOT will deliver major benefits for smallholder farmers, entrepreneurs and rural communities

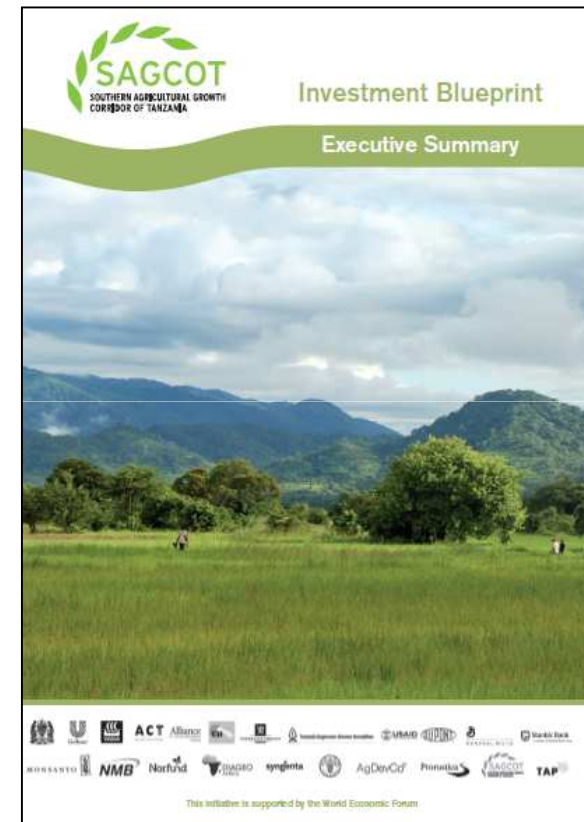


Public grant funding of \$650 million over 20 years is equivalent to only \$280 per beneficiary – all of which should be recovered through increased tax revenues

## Next steps



- International launch at World Economic Forum, Davos, by H.E. President Kikwete – 28<sup>th</sup> January 2011
- Establish the **SAGCOT Partnership** organisation – Q1 2011
- Launch a **Catalytic Fund** to support early-stage agriculture businesses – Q2 2011



The Investment Blueprint is now available at [www.africacorridors.com](http://www.africacorridors.com)