This is a summary of **CASA 4x4 Boxset 2**, which was driven by Grahame Dixie, Executive Director of Grow Asia. We asked Grahame four questions and allowed him four minutes to share his viewpoint on each subject.

What role do you think governments can play in ensuring that investment in agriculture is impactful and profitable?

Governments often go to great lengths to attract foreign direct investment. But all attempts at being responsible investors end if the investment starts to lose money. It is experienced investors who make money from smallholder agriculture. They see the investment as long-term and have deep pockets to finance this vision. The best way to attract these investors is for governments to treat existing investors well.

There are strong indicators of success, such as the cropping system that worked somewhere similar and produced profitable yields, or, they are using repeating a business models that worked somewhere else.

There are lots of guidelines and principles developed to support and/or challenge investors. Often there are too many different versions of these, and governments would do well to consolidate this information, without being too rigid. The businesses need some flexibility. The guidance boils down to practical issues, such as needing to consult and have a grievance mechanism in place. Governments also often insist on a percentage of raw materials sourced from out growers. So, there also needs to be a mechanism for reporting on the impact of these approaches.

Why is Grow Asia so successful?

Grow Asia facilitates partnership working across 6 countries and cross-pollinates learning between the countries. They encourage active dialogues and learning.

- (1) You manage what you measure: Their 580 partners work mainly in value-chain groupings. A strong motivation for joining Grow Asia is to build a network of organisations who members want to work with. In some Grow Asia working groups, champions emerged, but many don't know how to proceed. Grow Asia found the characteristics of the successful working groups and modelled them through the network.
- (2) What you focus on you get more of: Grow Asia pushes for impact at scale. The members are keen to make a difference and collaborate to make smarter decisions. Grow Asia uses data it collects to influence policy dialogues, such as creating investment guidelines and fall armyworm responses for Association of Southeast Asian Nations (ASEAN).

What skills are required to facilitate investment?

<u>Sustainable Development Goal 17</u> points to the need to bring disparate parties to facilitate change in agriculture at the scale and speed required. Donors often want to invest in project strands (e.g. gender) and not the glue that holds it all together.

In successful organizations or working groups you have two clear roles. Charismatic leaders with convening power and *clockwork* people who do the logistics and write the minutes. It is a disadvantage to have one leader, as this makes for poor succession, when people inevitably move on.

External consultants can be usefully deployed to draw out the synergies between different factional interests into a unified business case. They find smart, efficient ways to work together, such as ensuring that sub-groups of the partnership work together effectively on solutions – rather than having large consortia in one meeting, wasting time. 60% of the factors that impact on success are linked to the quality of the management. Bringing different sectors together takes a special person – but Grow Asia are learning how to do it better.

What are the policies and practices that would indicate that a government is treating agricultural investors well?

Investors do not want the goal posts to keep moving. Investors also want government to be clear on the rule of law and consistent tax regimes and rules of engagement, but not too bureaucratic. Difficulties emerge in countries when local investors are treated less favourably than foreign investors. Indonesia pushed the idea of treating existing investors better and this translated into significant inward investment from overseas. The Kenya Horticultural Crops Development Authority developed smart regulation that drove investment and innovation, whilst allowing some profits to be taken offshore.

Relevant links

Sign up for the Newsletter | Watch the 4x4 boxset | The E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It. 2001 by Michael E. Gerber | Visit Grow Asia's website | Contact us