

**CHARITY NUMBER: 1107507**  
**COMPANY REGISTRATION NUMBER:**  
**4645806**

**AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

# **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

## **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

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# **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

## **REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

### **GLOSSARY OF TERMS**

AATF	African Agricultural Technology Foundation
ABNE	African Biosafety Network of Expertise
AHyRA	Alliance for Hybrid Rice in Africa
AfDB	Africa Development Bank
AGRA	Alliance for a Green Revolution in Africa
AI	Artificial Intelligence
AIARC	Association of International Agricultural Research
AMELIA	AATF Monitoring, Evaluation, Learning and Improvement and Alignment
AUC	African Union Commission
AUDA-NEPAD	African Union Development Agency
BBSRC	Biotechnology and Biological Sciences Research Council
BMGF	Bill and Melinda Gates Foundation
BSN	Bulked Siblings Nulls
Bt	Bacillus Thuringiensis
BXW / BW	Banana Xanthomonas Wilt / Bacterial Wilt
CAADP	Comprehensive Africa Agriculture Development Programme
CANNALS	Driving agroecological transitions in the humid tropics of Central and Eastern Africa through transdisciplinary Agroecology Living LabS
CAMAP	Cassava Mechanisation and Agro-processing Project
CBA	Cost Benefit Analysis
CBOs	Community-Based Organisation
CCPs	Cross-cutting Priorities
CEOs	Chief Executive Officers
CFT	Confined Field Trial
CGA	Cereal Growers Association
CIAT	International Center for Tropical Agriculture
CIMMYT	International Maize and Wheat Improvement Center
CIP	International Potato Center
CIRAD	Centre de cooperation Internationale en recherche
COMESA	Common Markets for Eastern and Southern Africa
CORAF	West and Central African Council for Agricultural Research and Development
COSTECH	Commission for Science and Technology
COVID	Coronavirus Disease
CRI	Crops Research Institute
CSA	Climate Smart Agriculture
CSIR-SARI	The Council for Scientific and Industrial Research-Savanna Agricultural Research Institute
CSIRO	Commonwealth Scientific and Industrial Research Organization
DDPSC	Donald Danforth Plant Science Center
DFID	UK Department for International Development
DRC	Democratic Republic of Congo
DTMA	Drought Tolerant Maize for Africa
DTMASS	Drought Tolerant Maize for Africa Seed Scaling
DUS	Distinctness, Uniformity and Stability
EAC	East African Community
ECObasic	ECObasic Seed Company Ltd
ECOWAS	Economic Community of West Africans
EFSE	Early Food Safety Evaluation

# **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

## **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

### **GLOSSARY OF TERMS (Cont...)**

EGS	Early Generation Seed
EIAR	Ethiopian Institute of Agricultural Research
EU	European Union
FARA	Forum for Agricultural Research in Africa
FAW	Fall Army Worm
FOCAC	Forum for Chinese Africa Collaboration
FRC	Financial Reporting Council
FRS 102	Financial Reporting Standards 102
GATE	Ghana Agricultural Technology Evaluation
GBP	Great British Pound
GM/ GMO	Genetically Modified / Genetically Modified Organisms
HEAL	Hybrids East Africa Ltd
HTC	Hydrothermal Carbonisation
HQCF	High Quality Cassava Flavour
IAR	Institute for Agricultural Research
ICOSEED	Integrated Community Organization for Sustainable Empowerment and Education for Development
IDA	Integrity, Dedication and Accessibility
IFPRI	International Food Policy Research Institute
IFRS	International Financial Reporting Standards
IAM	Instituto de Investigação Agrária de Moçambique
IITA	The International Institute of Tropical Agriculture
ILRI	International Livestock Research Institute
IP	Intellectual Property
IPM	Integrated Pest Management
IRRI	International Rice Research Institute
IRAD	Institute of Agricultural Research for Development
KALRO	Kenya Agricultural and Livestock Research Organisation
KES	Kenya Shillings
KEPHIS	Kenya Plant Health Inspectorate Service
KEPSA	Kenya Private Sector Alliance
LLP	Limited Liability Partnership
LPB	Legume Pod Borer
LUSIP	Lower Usuthu Smallholder Irrigation Project
MCMV	Maize Chlorotic Mottle Virus
MEAL	Monitoring, Evaluation, Accountability Learning
MISS	Market Information Support System
MLN	Maize Leaf Lethal Necrosis
MNWAP	Mkondvo-Ngwavuma Water Augmentation Project
NaCRRRI	National Crops Resources Research Institute
NARO	National Agricultural Research Organisation
NARS	National Agricultural Research Systems
NaSARRI	National Semi-Arid Resources Research Institute
NASC	National Agricultural Seeds Council
NASECO	Nalweyo Seed Company Ltd
NBA	National Biosafety Authority
NBMA	National Biosafety Management Agency
NCE	Non-Cost Extension

# **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

## **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

### **GLOSSARY OF TERMS (Cont...)**

NCRI	National Cereal Research Institute
NEPAD	New Partnership for Africa's Development
NERICA	New Rice for Africa
NEWEST	Nitrogen-Use Efficient, Water-Use Efficient and Salt Tolerant
NGO	Non-Governmental Organisation
NI	National Insurance
NPTs	National Performance Trial
NPTC	National Performance Trial Committee
NSA	Nutrition Sensitive Agriculture
NUE	Nitrogen Use Efficient
NVRC	National Variety Release Committee
OFAB	Open Forum on Agricultural Biotechnology in Africa
OECD	Organisation for Economic Co-operation and Development
OMAs	OFAB Media Awards
PASTTA	Partnerships for Seed Technology Transfer in Africa
PBR	Pod-borer Resistant
PIDACC	Program for Integrated Development and Adaptation to Climate Change
PLCAs	Product Launch Collaboration Agreements
PPPs	Public Private Partnerships
PVP	Plant Variety Protection
QBS	Qualibasic Seed
RECs	Regional Economic Communities
RDSP	Research Discontinuation and Stewardship Plan
RR	Round-up Ready
RSA	Republic of South Africa
SARI	Savannah Agricultural Research Institute
SFSA	Syngenta Foundation for Sustainable Agriculture
SGCF	Secondary Grade Cassava Flavour
SMEs	Small and Medium Enterprises
SNV	Stichting Nederlandse Vrijwilligers
SSA	Sub-Saharan Africa
SOPs	Standard Operating Procedures
SORP	Statement of Recommended Practice
SPP	Species Plural
STI	Science Technology and Innovation
STMA	Stress Tolerant Maize for Africa
TAAT	Technologies for African Agricultural Transformation
TARI	Tanzania Agricultural Research Institute
TMC	TAAT Maize Compact
TUG	The Technology user Guide
UNECA	United Nations Economic Commission for Africa
US	United States
USDA-FAS	US Department of Agriculture-Foreign Agricultural Service
USAID	United States Agency for International Development
VAT	Value Added Tax
VCU	Value for Cultivation and Use
WACCI	West Africa Centre for Crop Improvement
WEMA	Water Efficient Maize for Africa
WP	Working Package
YASA	Youth in Agribusiness and Smart Agriculture
ZARI	Zambian Agricultural Research Institute
ZIM	Zimbabwe

# **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

## **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

### **TRUSTEES' ANNUAL REPORT**

#### **LEGAL AND ADMINISTRATIVE INFORMATION**

##### **CHARITY NUMBER**

**1107507**

##### **COMPANY REGISTRATION NUMBER**

**4645806**

#### **REGISTERED OFFICE AND OPERATIONAL ADDRESS**

African Agricultural Technology Foundation  
C/o Arnold and Porter (UK) LLP, Level 30,  
Tower 42, 25 Old Broad Street, EC2N 1HQ  
London, United Kingdom

#### **REGISTERED KENYA OFFICE ADDRESS:**

ILRI Offices  
Old Naivasha Road  
P.O. Box 30709 – 00100  
Nairobi

#### **SUBSIDIARIES' OFFICE ADDRESSES**

Agridrive Nigeria Limited  
Country of Incorporation: Nigeria  
Company Registration Number: RC1474799  
Registered Office Address: No 3, Idris Ibrahim Street, Jabi, Abuja, FCT  
Head Office Address: No 1 J Allen Avenue, Bank Road,  
J-Allen Bus Stop, Dugbe, Ibadan, Oyo State

Qualibasic Seed Company Limited  
Country of Incorporation: Kenya  
Company Registration Number: PVT/2016/031638  
Eastgate Road, off Mombasa Road  
P.O. Box 28897 - 00100  
Nairobi, Kenya

Ecobasic Seed Company Limited  
Country of Incorporation: Nigeria  
Company Registration Number: RC 1829307  
Suite 1, 1st floor, NNDC Mall,  
Muhammed Buhari Way, City Center,  
Kaduna, Nigeria.

**AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

**REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

**TRUSTEES' ANNUAL REPORT (CONTINUED)**

**LEGAL AND ADMINISTRATIVE INFORMATION (CONTINUED)**

**AUDITOR**

Crowe U.K. LLP  
Rounds Green Road, Oldbury  
West Midlands B69 2DG, UK

**SOLICITORS**

BDO Seidman, LLP  
Accountants and Consultants  
12505 Park Potomac Ave, Suite 700  
Potomac, MD 20854, USA

Sandalwood Solicitors  
Suite B20 Shakir Plaza  
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Off Ahmadu Bello Way  
Area 11, Garki  
Abuja-CFT, Nigeria

Arnold & Porter LLP  
Tower 42  
25 Old Broad Street  
London, EC2N 1HQ  
United Kingdom.

**BANKERS**

NCBA Kenya PLC,  
Commercial Bank Building, Standard/Wabera Streets,  
PO Box 30437 - 00100  
Nairobi, Kenya

# AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION

## REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023

### TRUSTEES' ANNUAL REPORT (CONTINUED)

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### BOARD OF TRUSTEES

<b>Prof. Aggrey Ambali - Chair</b> Director - Industrialization, Science, Technology, and Innovation Hub (NSTIH), AUDA-NEPAD Agency Midrand, South Africa	<b>Dr. Dahlia Garwe - Vice Chair</b> Harare, Zimbabwe Tobacco Research Board Harare, Zimbabwe
<b>Prof. Margaret Gill - Member</b> Chair Scottish Science Government Advisory Council Chair BBSRC Sustainable Agriculture and Food Strategy Panel	<b>Mr. George Sarpong - Member</b> Managing Partner G. A. Sarpong & Co. Accra, Ghana
<b>Shey Romanus Tata - Member</b> International Development Consultant Silver Spring, USA	<b>Sylvia Horemans - Member</b> Chief Executive Officer Kamano Seed Lusaka, Zambia
<b>Prof. Bernard Slippers - Member</b> Professor, Department of Biochemistry, Genetics, and Microbiology University of Pretoria Pretoria, South Africa	<b>H.E. Prof. Muhammadou. M. O. Kah - Member</b> Ambassador & Permanent Representative of the Gambia to the UN Office in Geneva, World Trade Organization (WTO) and other offices in Geneva
<b>Dr. Canisius Kanangire - Member</b> Executive Director African Agricultural Technology Foundation (AATF) Nairobi, Kenya	<b>Prof. Garba Hamidu Sharubutu - Member &amp; Government Representative</b> Nigeria Government Representative Abuja, Nigeria
<b>Dr. Bonface Kang'entu - Member &amp; Government Representative</b> (Appointed on 22 February 2023) Kenya Government Representative Nairobi, Kenya	



**AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

**REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

**TRUSTEES' ANNUAL REPORT (CONTINUED)**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**EXECUTIVE LEADERSHIP TEAM (ELT)**

<b>Canisius Kanangire</b>	Executive Director and Trustee
<b>Emmanuel Okogbenin</b>	Director Programme Development & Commercialisation
<b>Alhaji Tejan-Cole</b>	Director of Legal Affairs & Board Secretary
<b>Sofia Tesfazion</b>	Director of Resource Mobilisation
<b>Peter Mugambi</b>	Director of Corporate Services

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

##### **STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**

The African Agricultural Technology Foundation (AATF) is a company limited by guarantee, not having a share capital and a registered charity governed by a memorandum and articles of association.

Article 8 of the Articles of Association deals with appointment of trustees. The trustees may appoint a person to be a trustee, either to fill a vacancy or as an additional trustee, for terms of a maximum of two terms of three years each (article 8.1 read with article 8.2). Article 8.2 shall not apply to the executive director or to the representative for the time being of the host country of the charity. The terms of service of the ex-officio trustee being the representative of the host country of the charity shall be determined by its government. The name of host country's (Kenya) ex-officio trustee is Dr. Bonface Kang'entu Kaberia.

In accordance with the AATF Articles of Association and Board Decisions, the board shall consist of not less than seven nor more than 12 trustees. Up to 10 trustees-at-large shall be drawn from academia, public sector organisations, international and local private sector companies, donor agencies, major non-governmental organisations, and the Consultative Group on International Agricultural Research community; the representative of the host country; and the executive director (ex officio).

The nominating committee, which is a standing committee advisory to the board, advises the board on the nomination of new trustees. The nominating committee maintains a data bank of potential candidates for future trusteeship and considers them several years in advance to maintain a balanced board in terms of the list of qualifications. The list of qualifications are geographical distribution, field of expertise, gender, availability, language and suitability for board leadership and committee assignments.

The decision of the full board on the nominating committee advice is normally reached by consensus. In the absence of a consensus at a meeting of the board, the board chairperson may, and at the request of any two trustees not including the executive director or the representative of the host country, shall put the proposal to a vote.

Trustees are elected for a term of no more than three years as determined by the board in advance of the election, with appointments staggered to ensure continuity. Trustees are eligible for re-election to a second term, also of three years, but shall not serve more than two successive terms. The host country's government shall select its representative trustee and determine their term of office.

At the time an individual is invited to be a candidate for trusteeship, he or she is provided with information on board responsibilities and a sample schedule of meetings. In most cases the trustee nominee will be invited to attend a board meeting as an observer prior to election. Following election to the board, the new trustee receives a letter from the board chairperson welcoming him or her as well as background information from the board secretary, including the board manual with all annexes, minutes of the last two board meetings and the most recent AATF annual report. At the first board meeting, the new trustee attends, either as a trustee elect or observer, he or she also has an opportunity for briefings from the board chairperson, senior management, and programme staff. The senior management is responsible for arranging the orientation briefings.

Members of the board of trustees are required to be experts in relevant fields such as agricultural research or extension, agribusiness, marketing, biotechnology, intellectual property law, and biosafety. New trustees are inducted in the governing documents and policies of AATF. The board of trustees is occasionally trained on emerging governance and policy management issues. Whenever need arises, the trustees are also trained in resource mobilisation, and business negotiation skills among others. The Foundation is in the process of incorporating a trustees training policy into the existing Board of Trustees Manual to streamline the procedures and processes of training.

**AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

**REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

**TRUSTEES' ANNUAL REPORT (CONTINUED)**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**

The general business of the charity is managed by the trustees who are charged with exercising all its powers. The trustees are specifically charged with expending the funds of the charity in such manner as they consider most beneficial for the achievement of the objectives, to invest in the name of the charity such part of the funds as they may deem fit, to direct the sale of any such investments, to expend the proceeds of any such sale in furtherance of the objects of the charity, and to enter into contracts on behalf of the charity. The trustees delegate the day-to-day management of the charity to the executive director.

The relationship between the charity and collaborative institutions is that of independent entities. Nothing in the charity's collaborative agreements shall be construed as constituting any collaborative institution to be the agent of another or shall be construed to constitute a legal partnership or joint venture of any kind between the collaborative institutions.

**Compliance with charity governance code**

The trust is committed to good governance, has followed charity governance code and code's principles and recommendations. We have reviewed and considered code's recommendations and we have implemented measures to ensure compliance and uphold highest standards of governance.

# **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

## **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

#### **OBJECTIVES AND ACTIVITIES**

##### **Our Vision, Objectives, Aims, and Activities**

###### **Introduction**

The charity's vision is a prosperous, resilient, food and nutrition-secure Africa. The charity's mandate is to transform the livelihoods of farmers in Africa through innovative agricultural technologies. To achieve its mission, AATF work programme in the new strategic period will build on gains accomplished over the last two decades and will be anchored on three strategic objectives. These specific objectives are:

- Diversify agricultural technologies and expand frontiers for Next-Gen products in Africa.
- Accelerate the commercialisation and scaling of agricultural technologies in Africa.
- Promote the creation of a functional enabling environment for increased uptake of agricultural technologies and efficient markets in Africa.

###### **Cross-cutting priorities**

While implementing its new strategy, AATF want to ensure that its interventions are sensitive to climate change exposure, nutrition challenges and gender divides, as well as data, information, and education gaps, among its beneficiaries. AATF already contributes to these cross-cutting priority areas and will adopt a more focused approach in executing them going forward.

The charity achieves its specific objectives above by implementing a series of cross-cutting priorities (CCPs) that underpin its new strategic framework. These are:

- Improve climate change resilience among farmers in Africa. Enhance access to resources, agribusiness opportunities and technology for women and youth.
- Improve nutrition for farmers and consumers in Africa.
- Build knowledge and foster evidence-based decision making in African agriculture.

###### **Delivery model**

To achieve its strategic objectives and maximise on impact, AATF leverages on a delivery model centred on revamped strategic partnerships and a country-centric approach. The aim is to consolidate its current partnerships while seeking new ones, especially in the areas of genome editing, product commercialisation and scaling. To enhance service delivery at the national level, AATF will set up internal systems to help deepen its country presence. The organisation will take a phased approach to implementation, starting with its key project countries. The delivery model will be supported by four critical enablers, namely:

- Best-in-class project delivery capabilities
- Top-tier talent
- Effective communication and advocacy
- Robust monitoring, evaluation, accountability, and learning (MEAL) frameworks
- Strong resource mobilisation pipeline.

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS- YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

#### **OBJECTIVES AND ACTIVITIES**

##### **Specifically, under the new strategy AATF will:**

- Continuously expand its scope to also harness emerging and advanced technologies, including new plant breeding technologies (NPBTs), to enhance the quality of the products reaching farmers.
- Advance the application of genome editing to enhance the traits of existing crop varieties.
- Intensify technology stewardship to accompany technology transfer, ensuring the responsible and sustainable use of products by farmers for optimal results.
- Explore prospects of using artificial intelligence (AI), big data analytics and other emerging technologies as we focus on refining and enhancing our delivery model for effective and efficient deployment.
- Strengthen strategic partnerships and deepen its country presence by adopting a country-centric approach to deliver on its mandate. The Foundation will also leverage the great potential realised in the past through engagement with regional bodies, such as the African Union (AU) and Regional Economic Communities (RECs), to foster technology deployment.
- Leverage its convening and capacity building expertise to build further partnerships with organisations that are working to address critical farmer needs.

##### **Guiding Principles**

- AATF responds to a growing sense of urgency, demanding that agriculture plays a stronger role in Africa's economic development. The response includes the recognition that new approaches to technology development and delivery are required.
- AATF believes that if African agriculture is to provide secure livelihoods for farm households and contribute to economic growth then the private sector must play a much more important role in technology development for and delivery to smallholder farmers.
- This strong belief in the potential of the private sector is combined with a commitment to re-invigorate public sector roles in African agriculture, ensuring that public institutions support both markets and policies for equitable development.
- AATF focuses its attention on proprietary / innovative technologies because much of it is currently unavailable to African farmers. Because such technologies encourage commercial activity, they can bring new energy to African agriculture; their importance lie in the incentives they provide for the delivery of a product.
- AATF is committed to the adoption of new technologies and to facilitating the process by intervening to mitigate risks and ensure that they are deployed and used appropriately.
- AATF is committed to fostering partnerships that are based on real incentives, including the desire of emerging African enterprises to grow and prosper; the interest of farmers in acquiring the most productive technologies to improve their food security and incomes; and the commitment of donors and governments to support farm households with insufficient resources to build their assets and experience to prosper.

##### **Core Values**

As pioneers in brokering innovative agricultural technologies for farmers, and in particular resource-poor smallholder farmers in SSA, AATF staff uphold the following core values: Integrity, Dedication and Accessibility (IDA).

**Integrity:** AATF strives to make decisions and actions that adhere to strong ethics across its operations and embodying high moral standards including sound judgement, honesty, dependability, loyalty and inclusivity for all.

**Dedication:** AATF strives to make decisions and actions that adhere to strong ethics across its operations and embodying high moral standards including sound judgement, honesty, dependability, loyalty and inclusivity for all.

**Accessibility:** AATF remains inclusive, open to collaboration and experience sharing across all activities, challenging current restrictions to deliver value to end beneficiaries. This also entails availing itself for discussions, consultations and sharing of information that will support technology acquisition and transfer in SSA.

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

#### **OBJECTIVES AND ACTIVITIES (CONTINUED)**

##### **Value proposition**

AATF's value proposition is anchored on six inter-connected pillars that ensure it efficiently and effectively achieves its mission. These are:

- Trusted Technology or Product Facilitator- Integrating innovative technologies for enhanced product development.
- Policy Advocate and convener- Supporting the creation of a functional enabling environment for the uptake of innovative agricultural technologies.
- Technology Steward- management, licensing and product stewardship for innovative agricultural technologies.
- Product Deployment and Commercialisation Expert - Supporting the deployment, commercialisation and scaling of innovative agricultural technologies to drive uptake and adoption.
- Market Catalyst- Developing seed and market systems for products generated from NPBTs, non-breeding-based biotechnologies and other appropriate technologies.
- Trusted Programme and Private-Public Partnership Facilitator - Fostering enduring partnerships and relationships for technology transfer.

The significant activities that contribute to the achievement of the above objectives are as follows:

- Developing Maruca-resistant cowpea varieties for use by smallholder farmers.
- Initiating commercialisation of transgenic drought-tolerant and insect-protected maize varieties to enhance food security in SSA through the TELA Project.
- Developing Nitrogen-Use Efficient, Water-Use Efficient, and Salt Tolerant (NEWEST) rice varieties.
- Developing Hybrid Rice for use by smallholder farmers.
- Improving cassava productivity through mechanisation and agro-processing.
- Supporting deployment of simple, small-scale, and robust biobased technologies through the EU Bio4Africa Project.
- Technologies for African Agricultural Transformation (TAAT) – Maize Compact.
- Technologies for African Agricultural Transformation (TAAT) – Policy Enabler.
- Gender and youth empowerment.
- Integration of Nutrition-Sensitive Agriculture for realisation of a holistic food security approach.
- Building education and awareness to support decision making on biotechnology through the Open Forum for Agricultural Biotechnology (OFAB).
- Building availability to quality foundation and certified seed through Qualibasic Seed (QBS) and ECOBasic Seed Company Ltd (ECOBASIC).
- Driving agroecological transitions in the humid tropics of Central and Eastern Africa through transdisciplinary Agroecology Living LabS (CANALLS).
- Developing sorghum varieties that are resistant to striga through Feed the Future Striga Smart Sorghum for Africa (FtFSSA) Project.

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

#### **OBJECTIVES AND ACTIVITIES (CONTINUED)**

#### **DEVELOPING MARUCA-RESISTANT COWPEA VARIETIES FOR USE BY SMALLHOLDER FARMERS**

##### **The Problem**

Cowpea is an important food and nutrition security crop for more than 200 million people in SSA. Its production and productivity are constrained by several biotic and abiotic factors. Prominently among the biotic factors, is the *Maruca vitrata* commonly known as Legume Pod Borer (LPB) which can cause yield loss of about 80 per cent of the production depending on the level of infestation and prevailing climatic conditions. To control the insect pest, farmers used to spray pesticides up to 6 -10 times within a cropping season- multiple applications of pesticides are not only expensive but also detrimental to the farmers' health and environment.

To address this problem, scientists developed a genetically modified (GM)/transgenic cowpea variety that can confer resistance through the expression of the Cry1Ab protein from *Bacillus thuringiensis* (Bt) against lepidopteran insects but more specific to the LPB. This is a laudable achievement because there is no source of resistance in the cowpea gene pool. Development of varieties which confer resistance to LPB through conventional breeding has not been successful, hence the heavy reliance on chemical insecticides which are highly detrimental to the environment and health of the farmers. The PBR cowpea is therefore, addressing the problem of the LPB (*M. vitrata*), a lepidopteran pest that inflicts severe damage to cowpea.

##### **Objective**

The project aims at contributing to food security and improving the livelihoods of smallholder farmers in SSA by developing and deploying improved, high-yielding farmer-preferred cowpea varieties that are resistant to the insect pest *Maruca vitrata*, commonly known as LPB.

##### **AATF Intervention**

The PBR Cowpea Project is a public-private partnership (PPP) which started in 2009 working towards development, deregulation and commercialisation of high yielding cowpea varieties that are resistant to *Maruca vitrata*, through a combination of conventional breeding and genetic engineering of the crop to improve its productivity and utilisation.

AATF works in partnership with international institutions such as Commonwealth Scientific and Industrial Research Organization (CSIRO) Australia, Donald Danforth Plant Science Center (DDPSC) Missouri, Michigan State University USA, and several National Agricultural Research Systems (NARS) in Nigeria, Ghana, and Burkina Faso. AATF obtained the technology on a royalty-free basis from Bayer. AATF contributes its expertise in PPP, intellectual property and project management, product stewardship, and regulatory affairs. CSIRO-Australia provided the gene construct and assisted with the genetic transformation of IT86D10-10 cowpea variety while DDPSC provided the regulatory science towards dossier compilation for submission in the project countries.

##### **Summary of Project Achievements**

The Pod-Borer Resistant (PBR) cowpea that has been developed to control *Maruca* insect pest infestation in cowpea continues to receive government approvals with Burkina Faso granting partial environmental release approval of 709 event (Cry1Ab gene) as final results are awaited. Burkina Faso will be the third country to grant the PBR Cowpea approval to proceed beyond research. In Nigeria, a permit for the environmental release of PBR cowpea event 245F was granted. In Ghana, the PBR cowpea was recommended for commercial release by the National Variety Release Committee and a final approval is expected from the National Seed Council in 2024.

To enhance durability in PBR cowpea, significant progress was made in several product development activities during 2023. The Cry2Ab gene was deregulated, a second generation of PBR cowpea with durable resistance to pod borers (PBR CowpeaXTRA) was developed, and creating PBR Cowpea with Cry1Ab. Trials (MLTs) in Nigeria, five varieties in NPTs in Ghana, and two varieties in NPTs in Burkina Faso.

Compliance monitoring for PBR cowpea farmers was conducted by field extension workers under the coordination of the National Agricultural Extension Research and Liaison Service (NAERLS) and Agricultural Development Programmes (ADPs) of the Ministries of Agriculture of various states of Nigeria where PBR cowpea was cultivated by farmers. The purpose of the farmer monitoring was to assess their compliance to stewardship requirements as contained in the technology use guide (TUG) and to track farmer feedback on the relevance of the PBR technology at farm level.

Capacity strengthening for PBR cowpea seed production in Nigeria was carried out for 44 technical staff from licensed seed companies in Kaduna State. The training covered cowpea seed production techniques and

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

##### **OBJECTIVES AND ACTIVITIES (CONTINUED)**

A stewardship appraisal for PBR cowpea was conducted three years after the release of the product in Nigeria. Supported by the Australian Centre for International Agricultural Research Small Research Activity (ACIAR-SRA), the study aimed to evaluate the performance of PBR cowpea in four representative agro-ecological zones, assessing environmental and health impacts, genetic purity of seeds, acceptance of the variety, and adoption of recommended cultivation practices. Results indicated genetically pure cowpea in farmers' fields without cross-contamination, lower pesticide residue on PBR-cowpea fields compared to non-PBR cowpea fields (below European Union recommended rates), and higher beneficial microbial activity in PBR cowpea fields.

Data collection, mapping of farmer beneficiaries and obtaining feedback from end users on PBR cowpea continued through the AATF digital application SAMAWATI that is undergoing further improvements.

Progress was made in enhancing seed availability and meeting demand for PBR Cowpea in Nigeria with a focus on how to determine and optimize planting windows including the integration of historical weather data and analytics. As a result, the PBR seed production more than tripled compared to 2022 with indications that following the environmental release of the PBR cowpea in Ghana, the project team initiated large scale trials that are required to guide on the performance of PBR cowpea for its commercial release to farmers. Five on-station, and 100 farmer-managed trials were established across five regions of the country. To jump-start commercialisation in anticipation of the commercial release of the product in the country, 12 acres have been planted for seed multiplication.

In Nigeria the PBR Cowpea Project held two training sessions in February in Jigawa State, and June in Kano State for seed partners and out-growers on quality seed production and stewardship.

##### **Expected Impact**

- The strategy for the year 2020-2025, as per the new grant from USAID, is to scale out Bt Cowpea in Nigeria, Burkina Faso, and Ghana to reach an adoption rate of 15-25 per cent with increased yields of 20 per cent. This effort will also target the development of a Second-Generation PBRCowpeaXTRA trait
- Increased cowpea production in Africa by at least 50 per cent from 6.675 million tons to 10.150 million tons which translates to US\$ 4,567,500,000 at an average price of (US\$450/tons).
- Increased yields of local varieties from 0.3 – 0.6 t/ha to 0.6 – 2.0 t/ha resulting in an increased income of at least US\$270-US\$ 900.
- Improved nutrition through high productivity and more consumption - cowpea contains 22 per cent protein.
- Reduce regional grain prices by 9.5 per cent, resulting in increased regional trade volume and demand by between 8.5 and 19.2 per cent.
- Improved health linked to the reduction in insecticide herbicide sprays from about six to two times.

##### **Key Challenges**

- Cowpea seed production was greatly constrained by early cessation of rainfall and mid-season drought which resulted in poor grain filling and low yields.
- Banditry attacks experienced by some seed producers affected the harvesting operation and resulted in low output.
- In Nigeria, continued insecurity cases prevented effective monitoring of the fields in most parts of the country.



## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

#### **OBJECTIVES AND ACTIVITIES (CONTINUED)**

#### **INITIATING COMMERCIALISATION OF TRANSGENIC DROUGHT-TOLERANT AND INSECT-PROTECTED MAIZE VARIETIES TO ENHANCE FOOD SECURITY IN SSA THROUGH THE TELA PROJECT**

##### **The Problem**

Africa is a drought-prone continent, making farming risky for millions of smallholder farmers who rely on rainfall to water their crops. Maize is the most widely grown staple crop in Africa – more than 300 million people in Africa depend on it as their primary food source. Maize is severely affected by frequent drought and irregular rainfall, which lead to crop failure, hunger, and poverty. Climate change is worsening the situation. Like drought, insect pests present a challenge for smallholder maize farmers in Africa who have limited resources to manage them effectively. During drought, maize is particularly susceptible to insect pests, and farmers can experience complete loss. The TELA Maize Project is, therefore, addressing the problem of drought and destructive insects, including stemborers and the Fall Armyworm (FAW).

Stemborers are known to reduce maize production in several countries in Africa. For example, in Kenya, stemborers reduce maize production by an average of 13 per cent or 400,000 tons of maize, equivalent to the normal yearly amount imported into the country. This damage is valued at more than USD 90 million. The FAW is a new devastating, transboundary maize pest that was first observed in Africa in 2016. If solutions are not put in place quickly, projections estimate that it could destroy up to 20 million metric tons of maize in Africa each year. This is enough to feed 100 million people. Big maize producers such as Nigeria and Tanzania, could lose half or more of their harvests to FAW, which can decimate an entire field in just a few days.

##### **Objective**

Successful commercialisation of TELA® maize varieties through local seed companies for use by farmers to mitigate effects of climate change especially moderate drought stress and losses to stem borers (Spotted stem borer [*Chilo partellus*], African stem borer [*Busseola fusca*], and Pink stem borer [*Sesamia calamistis*]) and Fall Armyworm (*Spodoptera frugiperda*) insect pests.

##### **AATF Interventions**

The TELA Maize Project is a PPP that started in April 2018, working towards traits deregulation, and initiating the commercialisation of transgenic drought-tolerant and insect-protected maize varieties to enhance food security in SSA. The project builds on progress made and lessons learned from a decade of excellent breeding work under the Water Efficient Maize for Africa (WEMA) Project. Through WEMA, 125 conventional drought-tolerant maize hybrids (DroughtTEGO®) have been released to farmers since October 2013. In addition, five insects resistant (Bt) TELA® maize hybrids have been released and commercialised to smallholder farmers in South Africa since 2016.

AATF works in this partnership with the internationally funded non-profit International Maize and Wheat Improvement Center (CIMMYT), the private agricultural company Bayer, and seven NARS in Ethiopia, Kenya, Mozambique, Nigeria, South Africa, Tanzania, and Uganda. Due to the lack of a conducive regulatory environment for commercialisation of GM crops in Tanzania and Uganda, activities have been temporarily paused since April 2020. AATF contributes its leadership, and unique experience in PPP, intellectual property, project, technology stewardship, and regulatory affairs management expertise. CIMMYT provided high-yielding maize varieties that are adapted to African conditions and expertise in conventional breeding and testing for drought tolerance and insect protection.

Bayer provided several proprietary germplasms, advanced breeding tools and expertise, drought-tolerance and insect protection transgenes, and the biosafety regulatory package. The varieties developed through the project will be distributed to African seed companies through AATF without royalty payment (technology fees) and made available to smallholder farmers as part of their seed business. The NARS, farmers' groups, and seed companies participating in the project will contribute their germplasm, expertise in field testing, seed multiplication, and distribution. The project also involves local institutions, both public and private, and in the process expands their capacity and experience in agricultural biotechnology and biosafety.

##### **Summary of Achievements**

- The project released five new maize varieties to African farmers in 2023. These include four DroughtTEGO® hybrids (WE2101, WE2106, WE3106, and WE5117) that were commercialized by two licensed seed companies in Zambia, and another one DroughtTEGO® hybrid (WE3106) released in Zimbabwe by one seed company using the Common Market for Eastern and Southern Africa (COMESA) catalogue. This brings to 108 the drought-tolerant maize hybrid varieties released through various projects by AATF and partners so far.

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

##### **OBJECTIVES AND ACTIVITIES (CONTINUED)**

- The TELA Bt maize evaluation trials in Nigeria were carried out across 11 sites during the June–October 2023 wet season under natural stem borer and fall armyworm (FAW) infestation. The six best-performing TELA® MON89034 Bt hybrids were evaluated against two commercial checks. On-farm trials were also planted at 10 locations in two sets under farmer management. Each set consisted of three Bt hybrids, 1 hybrid check (SAMMAZ 68 – WE8206 or Oba Super 13) and farmer's variety.
- In Ethiopia, six TELA® Bt MON810 hybrids were planted across 10 sites spread through the high and mid-altitude agroecologies in the country under natural stem borer and FAW infestation during the first-year of national advanced yield trials.
- In Mozambique, evaluation of five TELA® Bt MON810 hybrids were repeated in four multilocation sites during the 2022/2023 wet season. The second-year planting of the same five test hybrids was done in the 2023/2024 wet season.
- To support the TELA maize project in its seed production goals, trainings were held in Nigeria and Ethiopia on maize seed production. In Nigeria, representatives from 26 (2 females, 24 males) seed companies were trained on hybrid maize seed production to lay the foundation for TELA® hybrids commercialization as part of AATF support to the Seed.
- A socioeconomic impact study conducted on the impact of TELA® Bt maize on the welfare of smallholder maize farmers in Limpopo and Mpumalanga provinces in South Africa showed a significant and positive effect on yield by 61 per cent and income by 33 per cent among adopting farmers compared to non-adopters. The study noted that the benefits could be even higher with increased awareness and education among smallholder farmers on the benefits of TELA® Bt seed technology.
- Four multi-location value-for-cultivation and use trials were conducted for five TELA Bt MON810 hybrids in Mozambique following the provisional approval granted by the government for this evaluation. Field performance evaluations showed that three of the hybrids performed well across all locations. The trials will be repeated in the 2022/2023 wet season to identify the most promising hybrids for variety release recommendation.
- In South Africa, 10 multilocal evaluation trials were carried out for 29 TELA Bt MON89034 and Round-up Ready (RR) hybrids that are tolerant to herbicide for weed control. Results indicate that five TELA-RR hybrids with similar yields as best commercial checks (6.8–8.0 ton/ha) were identified and are now pending approval for variety release and registration.
- Improved certified seed production of DroughtTEGO hybrids has resulted in significant seed business of the product by licensed seed companies in Kenya, Uganda, Tanzania, South Africa and Zambia. About 1,384mt of high-quality seed for 17 TEGO hybrids were sold by seed companies to farmers in different countries.
- In 2022, AATF and its seed company partners produced a total of 1,384 mt of Drought TEGO in Kenya, South Africa, Tanzania, Uganda, and Zambia; and 80 mt of TELA maize in South Africa. The TELA maize seed was produced in collaboration with MbeuGenes who delivered 80 tons of commercial seeds in South Africa.
- In South Africa, AATF and Mbeu Genes conducted four field days to promote six TELA Bt MON89034 hybrids among farmers. The information days were attended by 211 farmers and five agricultural extension officers.
- Two training sessions on hybrid maize seed production were conducted for seed companies in preparation for TELA seed production. The first was held virtually in June 2022, while the second in-person training was conducted at a farm hosting TEGO SPR trial with 16 seed companies in attendance.

##### **Expected Impact**

- By the end of five years, the project will have availed to smallholder farmers through licensed seed companies at least 250 tons of certified seed of a compelling set of 10 transgenic TELA® maize varieties that combine drought tolerance, insect resistance, and other important yield and disease-resistance traits.

##### **Key Challenge**

- Anti-biotechnology activism and limited political will in some countries to adopt agricultural biotechnology continue to be the key challenge for the TELA Maize Project.
- Court injunction in Kenya is slowing progress for the release and commercialisation of TELA Bt maize in the country.

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

#### **OBJECTIVES AND ACTIVITIES (CONTINUED)**

##### **DEVELOPING HYBRID RICE FOR USE BY SMALLHOLDER FARMERS IN SUB-SAHARA AFRICA**

###### **Objective**

The Hybrid Rice Project aims to improve food security and rural livelihoods among African small-scale rice producers, by developing hybrid rice, exploring its significant yield advantage to create sustainable hybrid rice agrobusinesses to increase rice farming in East, West and Southern Africa. Implemented over a 15-year period, the project expects to enable African researchers and seeds producers to reach 500,000 rice farmers with hybrid rice that delivers a yield advantage of at least one ton per hectare over the most competitive inbred varieties.

###### **The Problem**

Rice (*Oryza* spp) is an important staple food and a commodity of strategic significance across much of Africa. Driven by changing food preferences in the urban and rural areas and compounded by high population growth rates and rapid urbanisation, rice consumption in SSA has increased by 5.6 per cent per annum over the years, less than double the rate of population growth. However, the area under rice production in SSA has stagnated at about eight million hectares producing about 15.5 million tonnes per year against an annual consumption of 27 million tonnes. These production and consumption trends imply a production deficit of about 11.5 million tonnes per year valued at US\$ 4 billion that is imported annually.

Thus, the rice production deficit presents a great development challenge to governments and development agencies in SSA. The slow growth in domestic rice production has been attributed mostly to the very low yields being achieved by rice farmers in SSA. In addition, poor agronomic practices, insufficient private sector investment in rice seed production, non-competitiveness of locally produced rice, low capacity in technologies that can improve productivity such as hybrid technology, high production costs and poor quality are among the challenges that makes it difficult for SSA to meet its the rice need. To meet the increasing demand for rice consumption, there is the need to deploy technologies like hybrids that can enhance yield per hectare to boost local production as well as help in building viable agri-businesses along the whole crop value chain.

###### **AATF Intervention**

AATF is working with public and private partners to develop indigenously bred rice hybrids that are well adapted to the growing conditions in Africa and with significant yield advantage. The partnership is developing two-line rice hybrids and parental lines alongside the development of an information technology tool with interpolated weather surfaces to predict temperature regimes required for the management of two-line hybrid rice production risk. The project is being managed by AATF in a way that ensures that technology partners focus on their technical work and that the outputs of the project contribute to global public goods.

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

##### **OBJECTIVES AND ACTIVITIES (CONTINUED)**

AATF is also providing a connection to the African seed sector researchers and seed firms. AATF provides an in-depth understanding of African seed companies and the NARS and links between the partners - Hybrids East Africa Ltd (HEAL), and the researchers and seed firms that the project has trained. As part of the efforts towards using the hybrid rice technology to increase production in SSA and enhance business linkages in the value chain, AATF has brought together private companies and public institutions, such as HEAL, Advanta, Afritec, Bayer, International Rice Research Institute (IRRI), Africa Rice Centre (AfricaRice), national rice programs and other SMEs to achieve greater impact and create synergy for promoting, marketing and commercialisation of hybrid rice technology for the benefit of African farmers. This initiative is a PPP known as the Alliance for Hybrid Rice in Africa (AHyRA).

##### **Achievements**

The Hybrid Rice Project partnered with AfricaRice in the RiceFinder project through AHyRA to increase rice production and productivity in West Africa. This partnership entails identification of high-yielding and market-preferred hybrid rice varieties.

The Hybrid Rice Project continued its efforts in market priming and promoting the adoption of rice hybrids. In 2023, the project through AHyRA, organized farmer-managed on-farm demonstrations to showcase the yield and economic advantages of hybrid rice compared to the best commercial inbred varieties in Kenya. This initiative led to over 1,500 farmers purchasing approximately 12.5 metric tons of seed, valued at over KES 12.5 million (approximately US\$85,000) in 2023. As a result of the momentum generated, two private seed companies have expressed interest in producing pre-commercial seeds to initiate the commercialization and marketing of licensed hybrid rice.

Rice evaluation trials were carried out under the AATF/AfricaRice RiceFinder project that aims to increase rice yield of small-scale producers and establish products and technologies for smallholder farmers and the private sector. The trials in the project were planned both as on-station and on-farm. Through AHyRA partnership, 9 hybrids (AH18003, AH18004, Arize 6444 Gold, SWARNA 2, PAC 801, ADV 8100, PAC 807+, ADV 8577, Pwan Gold Plus) were sent to AfricaRice in April 2023 for evaluation together with other 16 varieties. During the year, 24 varieties and one local check were planted in the on-station trials in Cote d'Ivoire at Mbe and Centre National de Recherche Agronomique de Côte d'Ivoire (CNRA) Man station; in Nigeria at Ibadan Station and National Cereals Research Institute (NCRI) Wuya facility; and in Senegal at St Louis station. Additional 25 varieties were planted in on-farm trials in Nigeria where farmers identified the most suitable varieties for the local conditions of their own farm (Tricot design).

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

In Kenya, the project partnered with Cereal Growers Association (CGA) and CardPerP to identify demo farmers and establish on-farm demos in Central and Western Kenya for hybrid rice. A training on demo establishment, management protocols, data collection and reporting was carried out for five key technical staff from the two organisations - two officers (agronomist and water engineer) from Cardperp, two agribusiness coordinators, and a project manager from CGA. A special training for farmers on good agronomic practices for nursery establishment, transplanting and demo management was also carried out.

The project also trained 19 demo supervisors and coordinators from CGA during season two of on-farm demos in Western Kenya on demo establishment, data collection, and reporting. In addition, two officers (agronomist and water engineer) from Cardperp, two agribusiness coordinators, and a project manager from CGA were trained on a step-by-step protocol on on-farm demos establishment and management, and data collection.

The project entered into a collaboration agreement with Africa Rice Center (AfricaRice) to implement the RiceFinder project being supported by BMGF. The project aims to address the need to increase rice production and productivity in West Africa through the identification of high-yielding, and market-preferred rice hybrid varieties.

#### **Expected Impact**

- Development of 2-line hybrid rice germplasm that is adapted to African conditions.
- Increased yields of at least one ton over the best commercial varieties available for use by smallholder farmers.
- Skills development for seed companies in 2-line hybrid rice technology.
- Development of a web-based IT tool for predicting hybrid rice production environment.
- Promote and build business linkages for hybrid rice along the commodity's value chain.

#### **Challenge**

Project funding ended in April 2022. However, discussions around future funding were initiated with the project donor.

#### **Key Project Beneficiaries**

The key beneficiaries are seed companies, scientists, rice farmers (male and female), millers and research institutes in Africa.

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

#### **OBJECTIVES AND ACTIVITIES (CONTINUED)**

#### **EU HORIZON 2020 BIO4AFRICA PROJECT - SUPPORTING DEPLOYMENT OF SIMPLE, SMALL-SCALE, AND ROBUST BIOBASED TECHNOLOGIES**

##### **Background and the Problem**

Africa's population is anticipated to reach 2 billion people by 2050 amidst unprecedented demographic, socio-economic, environmental, climatic and health transitions. Meanwhile, poverty and food security have increased with rising population. Under this scenario, boosting incomes and food security becomes imperative, with bioeconomy offering new opportunities to boost revenue in rural Africa.

EU Horizon 2020 BIO4Africa "Diversifying revenue in rural Africa through circular, sustainable and replicable bio-based solutions and business models" is a consortium project with the French Agricultural Research Centre for International Development (CIRAD) as the lead and AATF a subgrantee. It involves 25 partners and four countries (Uganda, Ghana, Cote D' Ivoire, and Senegal). The purpose of the project is to transfer simple, small-scale, and robust bio-based technologies adapted to local needs and contexts; empowering farmers and rural communities to produce a variety of bio-based products and energy; and improving the environmental, economic, and social performance of their forage agri-food systems. AATF is involved in the needs analysis, technology screening, co-definition of technologies to be transferred with local farmers and communities and business model development.

##### **Objective**

The objective of the project is to support the deployment of bioeconomy in rural Africa via the development of bio-based solutions and value chains with a circular approach to drive the cascading use of local resources and diversify the income of farmers. The focus is on transferring simple, small-scale, and robust bio-based technologies adapted to local biomass, needs and contexts (green biorefinery, pyrolysis, hydrothermal carbonisation, briquetting, pelletising, bio-composites and bioplastics production). In doing so, the project aims at empowering farmers to sustainably produce a variety of higher value bio-based products and energy (animal feed, fertilizer, pollutant absorbents, construction materials, packaging, solid fuel for cooking and catalysts for biogas production), significantly improving the environmental, economic, and social performance of their forage agri-food systems.

##### **AATF Interventions**

AATF is leading Work Package (WP) 1 and 7 and acts as the support partner to the other seven work packages. Within WP1, AATF implemented Task 1.4, which focuses on co-defining the technologies that will be adapted and transferred to farmers and other rural stakeholders. This involved validation of the technologies and conducting cost benefit analysis as well as establishing a business case. AATF delivered a report on specifications and guidelines on how the technologies could best be developed and adapted to meet the identified needs, contexts, and opportunities of each country. Under WP7, AATF will be taking lead in task 7.4 that focusses on policy outreach and recommendations for deploying bioeconomy in rural Africa. AATF will develop policy maker evidence-based recommendations for deployment of bio-based solutions.

##### **Summary of Achievements**

- During the year, Bio4Africa Project facilitated training for farmers and rural communities in Ghana and Ivory Coast to enhance replication of biobased solutions. The training aims to ensure there is sustainable feed stock supply for the biobased industries. The businesses are expected to be suppliers of raw materials and replicants of biobased technologies.
- Policy dialogues were organized in May 2023 in Senegal, Ghana, Ivory Coast and Uganda as part of efforts towards enhancing enabling policies for testing, deployment, and commercialization of bio-based technologies. The dialogues focused onto building consensus on country specific options that could facilitate adoption of bio-based technologies and also acquaint key policy makers and stakeholders with the Bio4Africa interventions. Communiques capturing the key deliberations, outcomes, and decisions of the policy dialogues were drafted for each country, containing the validated policy gaps hindering the development of the bioeconomy in each country with the associated recommended policy actions.

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

##### **OBJECTIVES AND ACTIVITIES (CONTINUED)**

- Bioplastics manufactured in Cote D'Ivoire had a higher net present value whereas, green biorefinery had a lower net present. The report also analyzed the technologies from a political, economic, social, technological, and environmental perspective, and all the countries were found to have a conducive regulatory environment for the technologies except in Uganda that indicated weak regulatory infrastructure. The quality of infrastructure was ranked best in Cote D' Ivoire. The technologies were also found to create employment and improve the general income for local population Across the four Countries It should be noted that Biorefinery technology was ranked best in income generation but low in affordability. The report also showed that, from a social perspective, all technologies received acceptability within the communities as none of the technologies seem to clash with cultural or religious values. Additionally, the findings also indicated that both male, female and youth stand to benefit from biobased technology.
- The technological analysis indicated insufficient capacity of local communities to manage the equipment and limited access to spare parts.
- The environmental analysis found all technologies to be eco-friendly with pyrolysis coming out to have a few environmental issues in Senegal and Cote D' Ivoire.
- The report highlighted the need to continuously sensitize the communities on the technologies, train enough manpower to run the plants and ensure accessibility of the machine's spare parts in the local market.

##### **Analysis of the Policy and Regulatory Environment on the Bio4Africa Project Countries**

The policy and regulatory environment are critical in driving supportive processes for the development of the Bioeconomy in the target countries. Policy analysis is a critical step in the process of facilitating policy reforms because it helps to understand the status and identify policy related gaps. This exercise will pave way for engagement of policy decision makers and other relevant stakeholders.

##### **The policy analysis approach**

The policy assessment was conducted through a content analysis approach which had three components: (a) Policy context which is concerned with understanding the context within which the policy was established and the motivation therein. (b) The policy text, which looks at policy objectives and the instruments that the policy intends to use to ensure implementation and operationalization; (c) the policy consequence, that identifies the impact of the policy, in terms of actions that were catalysed by the policy.

##### **Policy documents Analyzed.**

The exercise identified several policy instruments across the four target countries and regional strategies relevant for the Bioeconomy. Notably, Uganda and Senegal have specific policies that are directly addressing the Bioeconomy. Uganda has a Draft National Bioeconomy Strategy (2020), which is yet to be finalized and adopted. Consequently, other policy documents were analyzed: Biomass Energy Strategy (2007), Renewable Energy Policy (2007) and Vision 2040. Senegal adopted the National Biofuel policy in 2012, which regulated the Biofuel sector. In the absence of specific Bioeconomy policy, Ghana regulates matters relevant for the Bioeconomy using the Renewable energy Act (Act 832) (2013), Strategic National Energy Plan, National Energy Policy (2009) and the National Energy Strategy (2010). At regional level, the East African Community adopted a Bioeconomy Strategy in 2020 while the ECOWAS secretariat adopted a Regional Biofuel strategy in 2011.

## AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION

### REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023

#### TRUSTEES' ANNUAL REPORT (CONTINUED)

#### OBJECTIVES AND ACTIVITIES (CONTINUED)

##### Policy analysis results

The analysis identified the drivers of bioeconomy policy in the region that seemed to converge around optimally utilizing biological resources, their products, and services for sustainable national development; enhancing the development of the Bioeconomy as a tool for sustainable development as well as reversing market failures and transforming several economic sectors and translate biosciences' research and innovations into industrial and commercial enterprises, with greater participation of the private sector. In terms of policy consequence, the Senegal case presents a perfect example of the positive effect of having a functional enabling environment. After the establishment of the National Biofuel strategy, Senegal has emerged as one of the most advanced countries in West Africa in the adoption of renewable energy. Recently, Senegal launched 158 MW Taiba N'diaye wind farm and is also currently implementing BioStar project aimed to boost the availability of biofuels for SMEs in the region. At regional level, the establishment of the ECOWAS Biofuel strategy triggered member states to establish National Biofuel strategies. Some gaps were identified especially pointing to the need to finalize and adopt the Biofuel Strategy for Uganda. Further, effective implementation of the National Biofuel strategy in Senegal needs to be boosted through the development of the regulations and land tenure reforms to support the production of biofuel feed stock.

##### Expected Impact

The project is expected to:

- Provide additional income for farmers through creation of new jobs in rural areas from the agricultural value chains.
- Improve the environment by ensuring re-circulation of nutrients by exploiting all side-streams and reduction of air and soil pollution due to more efficient mineral cycles.
- Offer more than 300 farmers and farmer groups of all sizes (inclusive of small dairy and lower-income farmers, women farmer groups and transhumant pastoralists among others) the opportunity to test the technologies and products in real productive conditions.

##### Key Challenges and Mitigation Measures

Limited budgetary allocation for physical mentoring of the businesses undergoing business acceleration training, virtual support to be embraced.

##### Looking forward

The project will continue to offer support covering mentoring, coaching, and linkages to finance to the business enterprises with the focus of building their capacity for decision making and improved management.

- **Feedstock supply chain:** Albeit small-scale technologies advance the opportunity to valorise feedstock locally and help overcome issues around mobilisation and scale, the feedstock for bio-based applications may compete with other non-food uses (e.g., forage for bedding).

**Mitigation measure:** The project focuses on small-scale technologies and circular business models that do not create competition of resources.

- **Demand side:** Bioeconomy is still a new concept to many, especially amongst rural African communities. Many agricultural practitioners are concerned about the risks associated with diversification. If they are producing new products from side streams, they need to know that there is a market for them, and the process makes sense from an economic perspective.

**Mitigation measure:** The project will conduct thorough value chain and market analyses aimed at producing circular business models considering the marketability of end-products and the needs of farmers and rural communities.

- **National environment conditions:** National environment conditions can help promote or restrict certain technologies from advancing to market. Policies incentivising the production of energy from biomass can reduce the opportunity to find extra value in the production of other products, fine chemicals, feed etc. Similarly, funding opportunities for clean technologies vary by jurisdiction.

**Mitigation measure:** The project aspires to contribute via the development of funding guides, detailing different financing options as well as the development of several policy briefs along with recommendations addressing key policy aspects for the adoption of the small-scale bio-based technologies.



## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

#### **OBJECTIVES AND ACTIVITIES (CONTINUED)**

#### **TECHNOLOGIES FOR AFRICAN AGRICULTURAL TRANSFORMATION (TAAT) – MAIZE COMPACT**

##### **The Problem**

Maize is a leading staple crop and an essential source of calories and food security to over 300 million people in SSA. However, its production is impacted by a myriad of challenges, including erratic rainfall patterns due to climate change, pests, diseases, and suboptimal use of fertilizers. Elite climate smart maize hybrids have been developed through various breeding programs, including the WEMA partnership, which released over 120 drought-tolerant (climate-smart) hybrids trademarked DroughtTEGO®. Efforts are required to ensure that farmers can access, adopt, and use these hybrids to enhance productivity. Scale-up efforts need to be revamped, and more importantly, facilitation of high-quality seed production and market linkages for maize grain farmers to incentivise them to adopt these elite hybrids. This will ensure that smallholder farmers are not only food secure, but they economically benefit from selling surplus grain that they produce by planting high-yielding climate smart maize hybrids.

##### **Objective**

Funded by the African Development Bank (AfDB) under its Feed Africa Strategy (2016 -2025), the TAAT Maize Compact (TMC) aims to disseminate and scale out water efficient and other climate smart maize technologies from WEMA, Drought Tolerant Maize for Africa (DTMA), Drought Tolerant Maize for Africa Seed Scaling (DTMASS), Stress Tolerant Maize for Africa (STMA), International Institute of Tropical Agriculture (IITA) and NARS breeding programs across SSA. The technologies are scaled out in collaboration with both the public and private sector, and notably, with significant participation of commercial seed companies. Initially, TMC worked in Kenya, Uganda, Tanzania, Ethiopia, Rwanda, Zambia, Zimbabwe, Nigeria, Cameroon, Ghana, and Benin. However, during 2021 due to budget constraints, TAAT maize activities were implemented in only five countries (Kenya, Uganda, Tanzania, Nigeria, and Ghana).

##### **AATF Interventions**

AATF directly implements TAAT maize activities in East and Southern Africa while IITA implements activities in West and Central Africa. However, AATF conducts the overall coordination of the maize value chain. In-country supervision is conducted by appointed NARS personnel (TAAT Maize NARS Leads) in respective countries.

AATF, through its expertise in deployment and commercialisation, and in consultation with key stakeholders in maize production, identified proven high yielding maize varieties, which were earlier licensed to partner seed companies under the WEMA project, DTMA and other breeding pipelines and facilitated scale out activities such as seed production, field demonstration plot establishments, field days, distribution of small seed packs, employing good agricultural practices and post-harvest management training sessions to stimulate adoption and enhanced production by farmers, hence motivating seed companies to produce more seed due to the high demand created by AATF and its partners.

AATF engaged farmer groups and community-based organizations (CBOs) to facilitate market linkages between maize farmers and output markets so that they can sell surplus produce with ease at profitable prices. This incentivised farmers to adopt new varieties and other maize technologies due to the promise of markets for their surplus production.

##### **Summary of Achievements and Impact**

The TAAT Maize project focused on country engagements in preparation for phase 2 implementation of field activities in 2024. Several meetings and technical assistance on maize technologies that enhance productivity were developed and shared with countries that plan to develop their maize value chains. A regional training program was successfully conducted in Zimbabwe in November 2023 to building capacity of various maize value chain actors.

Strategic engagements were conducted for Kenya, Tanzania, DRC, Cameroon, Namibia, Zambia, Togo, Guinea Bissau, and South Sudan. The PADCA-6P project agreement for DRC was signed and implementation will take place in 2024.

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

##### **OBJECTIVES AND ACTIVITIES (CONTINUED)**

###### **Summary of Achievements and Impact (Continued)**

The TAAT Maize Compact participated in a joint training of 30 senior extension officers in Malawi. During the training the Maize Compact teamed up with Soyabean and HIB Compacts to train the officers in ToT sessions to equip them with good agricultural practices (GAPs) and climate smart agriculture (CSA). The trained officers are expected to cascade the knowledge to other technical staff and farmers.

Similar joint training sessions of 15 technical staff of the Cabinda project of Angola were trained on maize early generation seed (EGS) and certified seed production. In addition, project stakeholders were engaged to discuss maize seed system development in Cabinda.

Under the TSF maize project, a total of 59 participants (16 females and 43 males) from Somalia, South Sudan, Mozambique, and Zimbabwe were trained in a regional workshop in Zimbabwe. Out of the total participants 23 were youth (under 35 years). The first batch of 22 seed producers were trained in maize seed agronomy and quality standards to meet seed certification requirements.

Twenty-eight (28) Extension Agents and 9 maize grain producers were trained in maize agronomy, grain quality standards and marketing. The participants trained will cascade the training to junior staff in their departments and the farmers at large in their respective countries.

###### **Key Challenges**

Delays in approval of funds-TAAT 2 funds were received in late December 2023 and maize technologies will be deployed in 2024. Country engagements will also be continued to mainstream TAAT Maize technologies in country agricultural programs.

##### **TECHNOLOGIES FOR AFRICAN AGRICULTURAL TRANSFORMATION (TAAT) – POLICY ENABLER COMPACT**

###### **The Problem**

The TAAT Policy Enabler Compact was designed to support TAAT Commodity Compacts through activities aimed at creating an enabling environment for technology deployment and adoption by farmers. This stemmed from the realisation that agricultural technologies have not been widely adopted in many parts of Africa due to several policy, regulatory and institutional challenges. These include: (i) weak agricultural extension systems; ii) poor linkages between research and extension; iii) long-drawn technology verification and release systems; iv) insufficient attention to incentivise private sector participation in commodity value chains; v) poor market linkages; vi) weak policy and regulatory environments; and viii) the absence of regionally coordinated policy and regulatory processes to deliver technologies across similar agro-ecological zones. The TAAT Policy Enabler Compact was thus rolled out in 2018 to address the foregoing challenges through advocacy for policy reform interventions essential for building functional seed systems with effective variety release and registration mechanisms, spurring market incentives and efficiency along agricultural value chains, and facilitating access to quality inputs through accreditation of agro-input suppliers.

###### **Objectives**

Funded by the AfDB under its Feed Africa Strategy (2016 -2025), the work program for TAAT Policy Enabler is anchored on four interdependent objectives namely: (1) assessment of policy and regulatory environment to facilitate creating a strong seed system for regional member countries via an evaluation and prioritisation of interventions that can be financed as part of TAAT country programs and dissemination to the seed industry; (2) increasing access and availability of quality seeds via accreditation of seed, fertilizer, and agro-input suppliers; (3) supporting harmonisation of regional technology release and registration policies through the study of existing protocols; and (4) facilitating competitive value-added chains through an analysis of existing value chain studies and synthesis of policies that create market incentives for farmers and agribusinesses.

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

#### **OBJECTIVES AND ACTIVITIES (CONTINUED)**

##### **AATF Interventions**

Since inception in 2018, AATF coordinated the TAAT Policy Project while also implementing activities directly and also collaboratively with partner institutions i.e., IITA and The African Seed Access Index (TASAI Inc) to address some of the stated objectives. For instance, AATF collaborated with TASAI to conduct rapid country assessment of the seed policy environment in 15 countries (Burkina Faso, Burundi, Cote d'Ivoire, Democratic Republic of Congo (DRC), Liberia, Mali, Nigeria, Rwanda, Sierra Leone, Uganda, Malawi, Tanzania, Kenya, Zambia, and Zimbabwe). Assessment missions primarily sought to map the seed system in order to identify policy, regulatory and institutional gaps, and challenges to inform focused discourse with governments on essential policy interventions to engender efficiency in quality seed supply.

##### **Achievements**

Harmonization of policies and regulations around seed systems and delivery of fertilizers and climate-resilient seeds continued to be a key focus area for the Technologies for African Agricultural Transformation (TAAT) Policy Enabler Compact, coordinated by AATF. Now in its second phase of implementation, the Compact continued engagements with Regional Economic Communities (RECs) while providing technical assistance to country governments in efforts towards implementation of policy harmonization within the framework of the Comprehensive Africa Agricultural Development Programme (CAADP) commitments, and the agricultural pillar of the Africa Continental Free Trade Agreement (AfCFTA).

Technical assistance was provided to support Regional Member Countries (RMCs) of the African Development Bank (AfDB) in the implementation of policy and institutional reforms to accelerate the delivery of fertilizers and climate-resilient seeds. Key areas of work for the Compact included i) spearheading assessment of seed and fertilizer sub-sectors in target RMCs to characterize and prioritize gaps requiring urgent policy reforms, ii) offering technical assistance to selected RMCs in development of seed roadmaps for priority commodities under African Emergency Food Production Facility (AEFPF) namely maize, wheat, Rice and soybean, iii) providing technical support and expert advice to RMCs in revision of policies and legislation aimed at reforming input subsidy programs to align with private sector-led market dynamics and iv) providing technical assistance to RMCs in support of domestication and implementation of regionally harmonized regulations for seeds, fertilizers and pest control products.

In-country meetings with governments of Angola, Burundi, Kenya, Malawi, South Sudan, and Zimbabwe were organised by the TAAT Policy Enabler Compact to foster a coordinated approach towards developing seed roadmaps for the timely production and delivery of certified seeds for priority crops such as maize, wheat, rice, and soybean. The consultations were carried out as part of AfDB financed African Emergency Food Production Facility (AEFPF), established in 2022 in response to disruptions in global food supply chains caused by the Russia-Ukraine conflict. AEFPF aims to provide certified seeds, fertilizers, extension services, and post-harvest management technologies to 20 million farmers across 33 target countries.

Other stakeholder discussions were organised in Sierra Leone during the High-Level Seed Business Summit in Freetown, that resulted in the development of a five-year Seed Roadmap for the country's key crops -cassava, rice, maize and soybean. The Seed Roadmap, aligned with Sierra Leone's national investment policies, plans and programs, will serve as a key guide to attract investments in the country by ensuring attention to the country's urgent and prevailing agricultural sector needs.

Similar consultations were held with DRC in Kinshasa to provide technical assistance aimed at catalyzing the emergence of an enabling environment for adoption and use of agricultural technologies by small-scale farmers. The TAAT Policy will partner with national stakeholders to accelerate the process to enable the country to institutionalize the Draft Seed Law and other legal instruments for regulating the seed system pivotal for supporting agricultural transformation in the country.

A benchmarking visit and training at the Kenya Plant Health Inspectorate Service (KEPHIS) was organised by the Compact for 16 seed inspectors and seed analysts from eight African countries including Djibouti, Eritrea, Liberia, Mozambique, Sierra Leone, Somalia, South Sudan and Zimbabwe in June 2023. Participants engaged with the KEPHIS staff on seed certification experience at their state-of-the-art seed testing facilities in Nakuru County, Kenya. The five day training covered policies, laws and regulations at national and regional levels, seed production and processing and quality assurance in seed certification.

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

##### **OBJECTIVES AND ACTIVITIES (CONTINUED)**

- 1 Climate Smart Agriculture (CSA) Technologies: The use of digital tools in increasing crop productivity.
- 2 Financial services such as credit for capital and inputs.
- 3 Market linkages.
- 4 Gender and social inclusion.

##### **Expected Impact**

The proposed interventions will lead to increased access to and sustainable use of climate smart production packages to enhance productivity and incomes among vegetable farming communities in Eswatini.

##### **Challenges**

Access and use of digital technology in the vegetable value chain in Eswatini is significantly low. Therefore, there is need to invest more resources in knowledge dissemination, acquisition, and use of these technologies in building resilience and adoption in tackling the negative impact of climate change in the sector in Eswatini.

#### **GENDER AND YOUTH EMPOWERMENT**

##### **Background and Introduction**

AATF has a Gender Strategy to ensure that projects, governance, and the institutional framework are gender responsive at all stages of design, planning, implementation, and monitoring and evaluation of agricultural technology research and development. AATF is making deliberate efforts to include gender mainstreaming into its projects to ensure equitable access to the opportunities and benefits its projects and institutional development efforts offer.

##### **AATF Interventions**

There was a major focus on gender mainstreaming across all AATF projects during the reporting period. A gendered market study of hybrid maize adoption was conducted in Nigeria to facilitate the successful obilization of AATF's TELA maize products alongside other ongoing activities. The study will guide decisions to influence and design impact pathways for better outcomes which could be leveraged by AATF's resource obilization team through development of proposals that are structured to address gender gap related challenges.

##### **Summary of Achievements**

AATF intensified its focus on contributing towards supporting women, men, youth, and the underprivileged persons get equal access to technologies, products, and markets as a means of improving their livelihoods. In 2023, a lean data study on Observer Farmers (OFs)—those who visit demonstration fields to learn—was conducted in Nigeria revealing the presence of gender disparities in decision-making processes regarding the adoption of PBR cowpea among farmers. It was observed that a higher proportion of male OFs, at 95%, compared to their female counterparts, at 75%, reported being the final decision-makers in trying PBR cowpea. Despite these disparities, the report stated there was widespread adoption and positive reception of PBR cowpea among households, with high levels of satisfaction and perceived benefits attributed to its high yield and pest resistance. The Study, conducted in collaboration with Tanager, aimed at understanding the experiences of both female and male OFs during their training sessions with demo farmers, particularly in planting and harvesting PBR cowpea. The study also sought to assess the impact on income, consumption, and household dynamics among OFs households who planted PBR cowpea.

A key recommendation from the study is to strengthen outreach and educational programmes targeting

The period under review saw the development of gender e-learning manual that will enhance the knowledge and skill of AATF staff and partner organisations in mainstreaming gender into programmes/projects.

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

#### **OBJECTIVES AND ACTIVITIES (CONTINUED)**

##### **Expected Impact**

To enhance gender mainstreaming across the AATF's maize and Pod Borer Resistant cowpea value chains.

#### **INTEGRATION OF NUTRITION-SENSITIVE AGRICULTURE FOR REALISATION OF A HOLISTIC FOOD SECURITY APPROACH**

There are almost 870 million chronically undernourished people, more than two billion people that are suffering from nutrient deficiencies, and more than one billion people that are either overweight or obese globally. Agro-food systems are predominantly aimed at food security and not nutritional security with more emphasis on grain production. Addressing food availability and access is critically important but may not have a measurable impact on nutritional status of the population unless more flexible and locally adapted systems that incorporate both food and nutrition security are in place.

It is therefore recommended to adapt a Nutrition Sensitive Agriculture (NSA) approach which stresses on the multiple benefits derived from enjoying a variety of foods, while recognising the nutritional value of food for good nutrition, and its importance, and the social significance of the food and agricultural sector for supporting rural livelihoods.

The overall objective of NSA is to make the global food system better equipped to produce good nutritional outcomes. Thus, the scope expands from merely producing enough calories but putting into consideration the vitamins, minerals and other micro-nutrients required for healthy living, environmentally sustainable food production, and food processing and utilisation to ensure that the food reaches the consumers in an optimal state. NSA takes a systems' approach that links sectors and intervention levels while aiming to deliver nutrient-rich, diversified, and balanced diets to all consumers throughout the year.

##### **Objective**

To transition AATF's programs and projects from only focusing on food security through increased productivity and income, to improved nutrition security by making these programs and projects nutrition sensitive.

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

#### **OBJECTIVES AND ACTIVITIES (CONTINUED)**

##### **AATF Interventions**

AATF is targeting PBR Cowpea as the first project for nutrition integration. To this end therefore, a formative study was scheduled to take place in four states in Nigeria to find out the key drivers of malnutrition, the barriers to nutrition interventions and to identify other organisations/players that are working on nutrition in these states in order to establish collaboration. The main objective for this study is to guide AATF to make well informed decisions on the appropriate interventions to put in place to improve the nutrition outcomes of PBR Cowpea farmers in Nigeria.

##### **Summary of Achievements**

Formative study for cowpea farmers in Nigeria was carried out in three states (Adamawa, Kano, and Kwara) in Nigeria, to determine the nutrition behaviors of smallholder cowpea farmers. The participants were categorized into producers, processors, and ministry of agriculture and extension agents.

The key findings from the study showed that:

- The farmers are aware of the foods that are considered nutritious (and grown) in their region.
- Expenses on non-food items negatively affected the farmers' purchasing power for nutritious foods which are often expensive.
- Farmers' store harvested cowpea, using different methods including PICS bags, containers, and plastic jerry cans.
- Harvested cowpea is preserved using pesticides (such as Phostoxin), dried habanero pepper, neem leaves, potassium and sun drying.
- The main driver of cowpea consumption in the household is the nutritive value attached to it.
- Factors that would encourage cultivation of nutritious foods include access to arable farmlands, capital, and incentives from the government. NGOs. and farmers' associations.
- Availability of the nutritious foods, demand and profits were the major drivers encouraging entrepreneurs to engage in processing of nutritious foods.

These findings were validated by selected participants in a one-day workshop that was conducted in Abuja, Nigeria in April 2023. These findings are being utilised to develop a social behaviour change communication strategy for cowpea farmers in the three states.

##### **Expected Impact**

The executed activities and proposed planned actions are expected to improve the nutritional status and security of smallholder farmers in SSA through the adoption of agricultural interventions that are nutrition sensitive.

#### **BUILDING EDUCATION AND AWARENESS TO SUPPORT DECISION MAKING ON BIOTECHNOLOGY THROUGH THE OPEN FORUM FOR AGRICULTURAL BIOTECHNOLOGY (OFAB)**

##### **Objective**

The objective of OFAB is to contribute to the creation of an enabling environment for the development, uptake, and adoption of agricultural biotechnology to address the challenges faced by smallholder farmers in Sub-Saharan Africa (SSA). OFAB facilitates constructive science-based conversations among stakeholders and decision-makers on agricultural biotechnology. OFAB convenes engagements between scientists, policymakers, and farmers to enhance confidence in the safety and benefits of modern biotechnology.

##### **Specifically, OFAB:**

- Establishes and manages a range of platforms to enhance understanding of biotechnology in agriculture for productivity.
- Contributes to informing policy decision-making processes on agricultural biotechnology by providing factual, well-researched, and scientific information.
- Forges strategic alliances for optimisation of resources through convening and encouraging inter-institutional networking and knowledge sharing in the agricultural biotechnology space.
- Enhances targeted capacity strengthening to improve communication across all sectors interested in biotechnology for African agricultural development.

##### **The Problem**

AATF established OFAB in recognition of the potential that biotechnology can offer towards agricultural development in SSA. However, the uptake and adoption of agricultural biotechnology is often derailed by negative perceptions and an unfavorable enabling policy environment. OFAB exists to facilitate active participation in the creation of an enabling environment for the adoption of new technologies by smallholder farmers. AATF believes that agricultural biotechnology is a critical technology that address some of the most critical food production stresses and could catalyse significant change in African agriculture. Africa, and the SSA has the least developed infrastructure to facilitate research, development, and adoption of agricultural biotechnology in the world.

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

##### **OBJECTIVES AND ACTIVITIES (CONTINUED)**

###### **Achievements**

The Open Forum for Agricultural Biotechnology (OFAB) continued to hold discussions with policy and decision makers with influence across the political divide including associations and private sector to raise awareness on biotechnology and seek to move the biotech discussions forward.

In Kenya, AATF engaged with the Senate, National Assembly and various Ministries in Kenya to discuss the state of agricultural biotechnology in the country and seek ways to enhance people's understanding of the technology. Meetings were also held with professional bodies including the Law Society of Kenya and Kenya Medical Practitioners Pharmacists Dentists Union (KMPDU) to raise awareness on biotechnology in view of the Cabinet decision to lift the ban on Genetically Modified Organisms (GMOs) in the country.

In both Kenya and Rwanda, high-level meetings with Chief Executive Officers (CEOs) were held to raise awareness on the role of biotechnology in the economic growth of the countries. These meetings provided the participants with the opportunity to gain insights on the safety and regulation of agricultural biotechnology, explore the scientific advancements and opportunities it presents throughout agricultural value chains.

OFAB also organized a consultative meeting in conjunction with Rwanda Agricultural Resources Board, and Rwanda Environmental Management Agency to discuss the implementation of the National Biosafety Bill which was approved by the Cabinet of Rwanda in July 2023 and subsequently passed into law following parliamentary approval in August 2023.

To effectively support policy change in the countries it operates, OFAB is implementing a new initiative dubbed Agriculture Biotechnology Trade Policy. With funding support from the United States Department of Agriculture (USDA), the initiative seeks to support the development of an enabling environment for agriculture biotechnology trade in Southern Africa. Under this initiative, OFAB will implement activities in six more countries in Southern African namely Zambia, Namibia, Botswana, Angola, DRC, and Madagascar.

The pronouncement provided a clear roadmap towards commercialising Bt TELA maize and other GM products in the country, and points to a positive and receptive political leadership. Accordingly, AATF seized the new momentum created by this development to intensely engage and work with biotech stakeholders in the country including government ministries and institutions, policymakers, academics, farmers, media, and professional bodies such as the Kenya Private Sector Alliance (KEPSA) to build confidence among Kenyans on GM technology. At the regional level, AATF held discussions with the African Union Development Agency (AUDA-NEPAD regarding partnership arrangements aimed at advancing the Science, Technology, and Innovation (STI) commitments of Agenda 2063, the continental long-term development framework. The discussions emphasized the importance of co-ownership of the African STI narrative to ensure that it accurately reflects the realities, aspirations, and priorities of the continent, its regions, and its nations.

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

##### **OBJECTIVES AND ACTIVITIES (CONTINUED)**

As part of continuous learning, OFAB facilitated capacity strengthening workshops for 220 media practitioners, 53 policy makers and the political elite. OFAB facilitated the first Attorney General Lawyers Learning Space, a platform where government lawyers gather to share experience on litigating cases involving GMOs and to familiarize themselves with international regulations governing biotechnology. The meeting took place in South Africa in March 2023 and was attended by 40 Attorney General Lawyers from OFAB Chapter countries. During the meeting, the lawyers had a taste of a GM products through an "eating is believing" session, where they sampled foods made from GM crops such as maize.

Working with the African Biosafety Network of Expertise (ABNE), OFAB hosted a retreat for 30 Biosafety Regulators from OFAB Countries in May 2023 in South Africa. The retreat sought to facilitate mutual learning and improve the implementation of national biosafety frameworks. During the retreat, the regulators established a coordination mechanism to enable ongoing knowledge sharing as they enforce their biosafety regulations.

Further, OFAB facilitated "seeing is believing" tours for four Burkina Faso policymakers to Nigeria to learn about progress made in approving and cultivating of Bt cowpea and Bt maize in the country. This followed approval by the National Biosafety Authority (NBA) for renewal of Bt Cotton, signaling the potential return of the technology to farmers by 2025.

A two-day Science Communication Capacity Strengthening Workshop was held in Dar es Salaam during the OFAB ARPM attended by 41 journalists from 10 countries. The training focused on sharing experiences on science, technology, and innovation reporting in a world where the state of media is fast evolving.

A march for science in support of the centrality of science in the national development agenda was held in Malawi in September 2023 attended by over 133 stakeholders including farmers. The occasion also celebrated 10 biotechnology Champions across the continent for their contribution towards enhancing understanding of biotech in their communities.

To sustain ongoing awareness efforts, AATF through OFAB facilitated the formation of three new networks with professional bodies to widen OFAB's reach. These were: the Africa-wide journalist's network, the Attorney General Lawyers' Network, and the Regulators' Network.

Recognition of exemplary biotech reporting by journalists continued with the OFAB Media Awards 2023 being co-hosted by AATF and the Government of Tanzania through the Council for Science and Technology (COSTECH) in Dar es Salaam. The Awards ceremony was attended by 41 journalists from 10 countries.

Focus on science communication for effective and efficient management of myths and misinformation regarding agricultural biotechnology contributed towards building positive momentum. OFAB proactively engaged with journalists and editors' associations to support factual information sharing on biotechnology. In Kenya, OFAB held discussions with 77 members of the Kenya Editors Guild (KEG) where a partnership was discussed.

##### **Challenges and Lessons Learnt**

- OFAB gained in establishing platforms for dissemination of information
- There is need to work with local scientists on biotech research and development in Africa to fit local needs
- There is need to enhance science communication to deliver messages in a manner that addresses myths and misinformation about agricultural biotechnology.



## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

#### **OBJECTIVES AND ACTIVITIES (CONTINUED)**

#### **DRIVING AGROECOLOGICAL TRANSITIONS IN THE HUMID TROPICS OF CENTRAL AND EASTERN AFRICA THROUGH ANSDISCIPLINARY AGROECOLOGY LIVING LABS (CANALLS)**

##### **The problem**

The humid tropics of Central and Eastern Africa hold much promise for enhancing food and nutritional security within and beyond Africa. With a rich variety of agroecological zones and diverse farming systems, they are home for a great part of the rural population and a large diversity of living organisms, offering vital ecosystem services and potential for sustainable development. Still, if we are to tap into this potential, we need to address the complex environmental, social and economic challenges they face, which in cases are exacerbated by conflict and high vulnerability. In this context, CANALLS aims to drive agroecological transitions in the humid tropics of Central and Eastern Africa via multi-actor transdisciplinary Agroecology Living Labs (ALLs).

We start with eight ALLs in DRC, Burundi, Cameroon and Rwanda, working alongside and enabling over 20,000 farmers and value chain actors to co-create and benefit from optimal combinations of agroecological practices focusing on crops that are vital for subsistence and economic development (cocoa, coffee, cassava, rice, maize). In parallel, we engage in solid multi-actor collaboration with rural communities, advisory services and governments to develop a holistic assessment framework and evaluate the socio-economic and environmental performance of the co-created practices (accounting for trade-offs and synergies).

We use the comprehensive evidence generated to build capacity and share knowledge (practice abstracts, replication guidelines, policy recommendations) as well as to deliver fair, inclusive and sustainable business models along with services and tools for facilitating access to markets and enhancing demand for agroecological products. Our vision is to create a growing network of ALLs that leverages EU-AU cooperation to conduct transdisciplinary research, offer scientific support and drive coordinated action for delivering holistic solutions that help shape enabling conditions for agroecological transitions.

- Set up eight multi-actor Agroecology Living Labs (ALLs) in DRC, Burundi, Cameroon and Rwanda.
- Develop practical tools to identify combinations of agroecological practices.
- Monitor and measure the socio-economic and environmental performance of identified combinations of agroecological practices (evaluation).
- Deliver sustainable business models along with services and tools for facilitating access to markets and enhancing demand for agroecological products.
- Support and build capacity for the adoption of agroecological practices (dissemination and exploitation of results)

##### **Progress**

Through the CANALLS project, we trained start-up businesses for farmers and rural communities in Uganda, Ghana, Senegal, and Cote d'Ivoire. The goal was to replicate biobased solutions and support the growth of businesses in these countries. Specifically, we focused on training the businesses that will be supplying feedstocks, providing them with key entrepreneurship skills and knowledge.

A study on food systems, value chains and markets was conducted during the year under CANALLS that aims to drive agroecological transitions in the humid tropics of Central and Eastern Africa via multi-actor transdisciplinary Agroecology Living Labs. The project was initiated under the EU Africa partnership and focuses on agroecological transitions for food system resilience targeting four countries - Cameroon, Rwanda, Burundi, and DRC.

## AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION

### REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023

#### TRUSTEES' ANNUAL REPORT (CONTINUED)

##### STRATEGIC REPORT

The trustees present their consolidated report and audited financial statements for the year ended 31 December 2022, which disclose the company's and group's state of affairs.

##### Achievements and Performance

AATF has made tremendous progress against performance indicators which include strengthening its commercial pipeline, gender, and youth inclusion, achieving, and assessing impact at scale and financial sustainability. Building-up to the achievements reported in the objectives and activities section above, the following are highlights of the key achievements at an commercialisation level.

##### Enhancing capacity of seed companies in the commercialisation pathway of AATF products

Together with our partners, we facilitated the release of 5 new crop varieties to the market. These included four DroughtTEGO® hybrids (WE2101, WE2106, WE3106, and WE5117) that were commercialized by two licensed seed companies in Zambia, and another one DroughtTEGO® hybrid (WE3106) released in Zimbabwe by one seed company using the Common Market for Eastern and Southern Africa (COMESA) catalogue. This brings to 108 the drought-tolerant maize hybrid varieties released through various projects by AATF and partners so far. In 2023, AATF and its seed company partners produced a total of 2,234 metric tons (mt) of certified seed, which is adequate to benefit 238,125 farmers in six countries. The produced seed consisted of 2,185 mt of DroughtTEGO in Zambia, Uganda, Kenya, Tanzania, and Ethiopia; 36 mt of cowpea in Nigeria; and 13 mt of hybrid rice in Kenya.

The total quantity of DroughtTEGO seeds produced was enough to meet the planting needs of approximately 218,500 farmers, each receiving 10 kgs of seeds. In addition, the quantity of cowpea and hybrid rice seeds produced was adequate to meet the planting needs of over 18,000 and 1,625 farmers respectively.

In 2023, AATF and its partners established a total of 2,588 demonstration plots for various seed varieties. These included 1,006 plots for maize hybrids, 22 for hybrid rice, and 1,560 for PBR cowpea. These plots served as venues for organizing 29 field days focused on the new products which were attended by over 3,000 farmers. The demonstrations helped to build farmers' interest in adopting the new varieties.

AATF partner seed companies continued to produce and sell significant quantities of certified seed of DroughtTEGO maize hybrids, PBR Cowpea and hybrid rice during 2023. The EGS entities, QBS (for East and Southern Africa) and ECOBasic (Nigeria and West Africa), also supplied seed companies in respective regions with high quality foundation seed that allowed the seed companies to maximize certified seed production.

AATF partner seed companies continued to produce and sell significant quantities of certified seed of DroughtTEGO maize hybrids, PBR Cowpea and hybrid rice during 2023. The EGS entities, QBS (for East and Southern Africa) and ECOBasic (Nigeria and West Africa), also supplied seed companies in respective regions with high quality foundation seed that allowed the seed companies to maximize certified seed production.

##### Feed the Future Striga Smart Sorghum for Africa (FtFSSA) Project

###### The Problem

The parasitic plant Striga represents one of the most intractable challenges of cereal production in Sub Saharan Africa. The weed attaches to roots of crops to siphon nutrients leading to severe yield reduction. Crop losses in Striga infested fields can be between 30 and 100 %, accounting for USD 7b in economic losses. The parasite is difficult to control because of its ability to produce many seeds that remain dormant in soil for long periods of time, only germinating in the presence of a suitable host crop – known to the parasite as biomolecules called strigolactones.

###### Intervention

In a USAID funded project called Feed the Future Striga Smart Sorghum for Africa (FtFSSA), Kenyatta University, ISAAA, AATF, Bio and Emerging Technology Institute in Ethiopia, Addis Ababa University, are collaborating to impart striga resistance in sorghum using genome editing. Striga is an obligate parasite whose life cycle is intricately linked to its host; therefore, effective resistance can only be achieved by interfering with the "information exchange" between the host and the parasite at critical stages linked to Striga seed germination. A popular, high yielding but Striga susceptible African sorghum variety called Macia was successfully edited for Striga resistance.

Under the FtFSSA project, AATF coordinates Work Package 2 which entails conducting freedom-to-operate (FTO) for genome edited products in Ethiopia and Kenya and securing regulatory approvals in the target countries.

###### Progress

The project obtained a material transfer agreement from Corteva in 2023. This agreement allows Corteva to transfer seeds for genome-edited sorghum with Striga resistance, facilitating the start of field trials. Another key development was exemption of the genome edited (GE) sorghum from regulation by the National Biosafety Authority (NBA) under the Biosafety Act 2009, in accordance with the Kenya National Guidelines on Gene Editing Applications. Subsequently, the project acquired an Import Permit from the Kenya Plant Health Inspectorate Service (KEPHIS) to import seeds for planned field trials at Alupe in Western Kenya.

##### AATF's new five-year strategy 2023- 2027

Scaling for Impact: Transforming farmers' livelihoods in Africa through the scaling of agricultural technologies.

AATF's new five-year strategy (2023-2027) builds on the lessons learned and progress made during our previous strategic periods. In this new phase of our strategic evolution, we will increase our focus on commercialisation and scaling, ensuring we attain our desired impact through the delivery of products and innovations to farmers. Specifically, under the new strategy we will:

- Continuously expand our scope to also harness emerging and advanced technologies, including NPBTs, to enhance the quality of the products reaching farmers.
- Advance the application of genome editing to enhance the traits of existing crop varieties.
- Intensify technology stewardship to accompany technology transfer, ensuring the responsible and sustainable use of products by farmers for optimal results.
- Explore prospects of using artificial intelligence (AI), big data analytics and other emerging technologies as we focus on refining and enhancing our delivery model for effective and efficient deployment.
- Strengthen strategic partnerships and deepen our country presence by adopting a country-centric approach to deliver on our mandate. We will also leverage the great potential realised in the past through engagement with regional bodies, such as the AU and Regional Economic Communities (RECs), to foster technology deployment.
- Leverage our convening and capacity building expertise to build further partnerships with organisations that are working to address critical farmer needs.

# AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION

## REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023

### TRUSTEES' ANNUAL REPORT (CONTINUED)

#### STRATEGIC REPORT

Our new strategy also seeks to ensure we maintain synergy and complementarity with major players and frameworks within the agricultural space. For example, our mission of transforming farmers' livelihoods in Africa through innovative agricultural technologies aligns with the aspirations of the CAADP framework. Our work is also directly aligned with the AU's Agenda 2063, as evidenced through our active involvement in the programmatic activities of the Africa Union Commission (AUC). We are a member of the AUC's African Seed and Biotechnology Platform and currently lead the Working Group on Research, Variety Development and Seed Production. We have also reviewed and provided expert technical advice on the recently drafted AUC Biotechnology and Biosafety Guidelines.

Elsewhere, we are participating in the implementation of the African Union Science, Technology and Innovation Strategy for Africa (STISA 2024), through collaboration with AUDA-NEPAD. And finally, we have collaborated with the African Biosafety Network of Expertise (ABNE) to build functional regulatory systems for biotechnology crops.

The new strategy is driven by three overarching strategic objectives including:

#### **1. Strategic Objective 1 - Diversify agricultural technologies and expand frontiers for Next-Gen products in Africa.**

Over the next five years, we will continue our work on biotech and conventional technologies that address the needs of farmers in Africa. In addition, we will explore the use of innovative technologies to improve the productivity prospects of strategic crops, such as soybean, whose market opportunities are on an upward trend. We will also expand income streams through bio-based technologies, such as bio-refineries and pyrolysis, to develop products from farm waste such as cassava peel, rice husks and legumes. We will also aim to create better resilience by 'bundling' multiple technologies for diversified traits and combining technologies for pre- and post-harvest resistance. We will also diversify into technologies for utilisation in more resource-constrained environments, such as in marginal land ecologies. Soil improvement technologies are another growth area targeted for exploration in the coming years. Meanwhile, in the nutrition space we will assess the feasibility of emerging opportunities, such as food fortification during processing.

#### **2. Strategic Objective 2 - Accelerate the commercialisation and scaling of agricultural technologies in Africa.**

Commercialisation and scaling are critical to ensuring that farmers realise the benefits of higher yielding and adaptable crop varieties. But an underdeveloped private sector, and the inability of market systems to bring new technologies to end users, is delaying the gains associated with technology adoption. We will therefore help to create efficient market systems that respond to the demand for technologies. During the next five years, we will place greater emphasis on enhancing commercialisation and scaling, with a key focus on getting recently approved biotechnology products to market.

#### **3. Strategic Objective 3 - Promote the creation of a functional enabling environment for increased uptake of agricultural technologies and efficient markets in Africa.**

Technology access and delivery requires a functional enabling environment. AATF has already made good progress in facilitating the creation of an enabling environment, which has resulted in several African countries embracing biotechnology in recent years. We have also engaged in processes to facilitate policy reforms and implementation for efficient seed systems and functional agricultural markets. In addition, we have supported RECs and their member states towards the development, implementation and domestication of regionally harmonised regulations or guidelines. We are committed to intensifying our efforts to create awareness and engage in advocacy through capacity strengthening, information sharing and collaboration. Through this work, we aim to help shift attitudes and perceptions and support governments in the development of a facilitative environment. We will also enhance our advocacy work programme to expand the acceptance and uptake of agricultural technologies across the continent, thereby creating a receptive environment for the testing and uptake of biotechnologies.

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

##### **STRATEGIC REPORT**

###### **Reach/Scale of AATF Products**

Our accomplishments during the strategic period of 2018-2022 demonstrate our determination to continue transforming the livelihoods of farmers in Africa. Overall, 4.8 million farmers were reached through our different interventions during the period, with over 3.8 million farmers accessing AATF seed based technologies. Our advocacy, outreach, and regulatory interventions benefitted an additional 47.3 million stakeholders and farmers. We have learned some important lessons from the just concluded strategy phase, which highlights the critical role of the enabling environment, commercialisation, stewardship, seed systems, and market development in achieving our mandate.

###### **Resource Mobilisation**

In 2023, the number of proposals submitted and approved was 6 which was lower than the 9 in 2022. However, the total proposal value was USD 85M which was almost double that of 2022. The number of unsolicited proposals was also higher at 5 versus the 3 developed in 2022. New donor results in 2023 were encouraging with additional ones like GIZ and Al Sumait. Five new partnerships were formed for fundraising.

###### **Financial Review**

This financial review incorporates the charity's subsidiaries namely Qualibasic Seed (QBS) Kenya Ltd, Agridrive Nigeria Limited and ECOBasic Seed Company Limited. The subsidiaries' details have been explained in the disclosures below as well as in the notes to the accounts.

AATF works to address some of the obstacles to technology access and delivery across the food value chain from research, production, processing through to market linkages. A priority area is to improve Africa's seed system where one bottle neck is foundation seed. In 2017, to address this bottleneck, AATF established and is currently incubating a foundation seed company called QBS with the support of the Bill and Melinda Gates Foundation (BMGF). This will help to mitigate the problem of foundation seed supply, a vital missing link in the maize seed value chain in most Sub-Saharan African (SSA) countries. Currently AATF is holding the shares in trust with the agreement to divest them to future shareholders.

In 2021, a review to determine the optimal capital investment and shareholding aimed at having the seed companies (current QBS customers) become the majority of the new shareholders, was completed. However, with agreement from the QBS Board and BMGF, the actual process to solicit and bring new shareholders on board was postponed to allow QBS to complete more business cycles and to improve on performance. To support this, BMGF extended their grant to December 2024. The discussion of the optimal shareholding structure is ongoing with planned valuation of the company sometime in 2023. However, the actual transition will take place between 2023 and 2024.

Agridrive is a social enterprise incorporated in Nigeria and Kenya in February 2018 as Agridrive Nigeria Ltd and Agridrive Kenya Ltd respectively. They are both owned 100% by AATF. The purpose of Agridrive is to engage in various commercial ventures in the agricultural sector for transformative agriculture development. It is operating as a separate and distinct legal entity from AATF, however, some of the profits generated by the company will be re-invested back into AATF's not-for-profit work to ensure support and sustainability of AATF's institutional mission. Agridrive's first business venture is mechanisation services in Nigeria. Agridrive Kenya Ltd did not have any trading activities in the current reporting period.

Based on the successes of QBS, AATF incorporated another foundation seed company known as ECOBasic Seed Company Ltd. The company was incorporated in Nigeria on 17 August 2021 as a private limited liability company and commenced operations in September 2021. The company was created to address the challenge of availability of quality seed for farmers and production of early generation/foundation seed for seed companies. ECOBasic will focus on West Africa as QualiBasic (QBS) continues to service the East and Southern Africa markets. With these two subsidiary entities, we expect to witness an increase in access and use of certified seed by farmers and to ease the production of quality seed by companies.

# **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

## **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

#### **STRATEGIC REPORT (CONTINUED)**

Two of the subsidiaries, Qualibasic and Agridrive posted net losses after tax whereas Ecobasics posted profit during the year. This was expected for these start-ups since their break-even points were projected to be between five to seven years. QBS and ECOBasic are supported by donor funds i.e., BMGF and therefore do not expose the Foundation to any significant financial risk. The initial grant from BMGF to QBS came to an end on 31 December 2021 but was extended on a cost-extension for an additional three years to allow the subsidiary's operations to crystallise and hence break even. The charity continues to provide incubation support and advisory to the subsidiaries aimed at ensuring that their revenues improve further hence resulting in reduced deficits and posting of surpluses in subsequent years.

AATF ownership structure in these subsidiaries is highlighted in the notes to the accounts.

#### **Financial Review - Charity**

Total income and endowments attributable to the charity for the year under review increased by 24% from US\$9.76 million in 2022 to US\$12.11 million in the current year. The amount of donations and grants increased to US\$9.91 million from US\$8.422 million in the prior year hence translating to a 17.7% increase. Investment income decreased by 8% as compared to the previous year. The increase in donations and legacies was majorly due to higher grant receipts for Open Forum on Agricultural Biotechnology (OFAB) and QBS projects compared to the prior year. The later was due to the extension of the project for an additional three years, hence increased grant amount in the current year as compared to the prior year.

#### **Financial Review – Group**

Total income and endowments for the year under review increased by 21.6% from US\$11.5million in 2022 to US\$14.0 million in the current year. The amount of donations and grants increased to US\$9.9 million from US\$8.4 million in the prior year hence translating to a 17.7% increase. The group recorded a net operating loss after tax for the year ended 31 December 2023 of US\$4.3 million against net operating loss after tax of the prior year of US\$1.0 million. Group expenditure increased by 22.3% to US\$17.5 million as compared to US\$14.3 million in the previous year.

QBS reported a net loss after tax of US\$ 0.6 million as compared to 2022 profit of US\$ 1.9 million due to decreased other operating incomes which decreased by 100% as compared to the prior year. Agridrive net loss after tax increased by 61.8% as compared to the prior year primarily due to increase in exchange loss by 1,519%. ECO Basic Seed Company posted a net profit of US\$ 0.19 million against net loss after tax of \$0.03 in 2022 being an increase of 718%.

#### **Key Performance Indicators for the Board of Trustees**

The key performance indicators for the board of trustees as stipulated in the board manual are as

- Timeliness in providing the policy decisions needed by management.
- Ensure adequacy of documentation for decision making and ensure allocation of adequate time to consider major issues in Board and Committee meetings.
- Quality and openness of discussions.
- Quality of decision making.
- Adequacy of planning to ensure continuous high-quality leadership for the board and its
- Appropriate board composition for board functions associated with the oversight of both program and management.
- Appropriate committee structure.
- Adequate orientation for new trustees.

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

##### **STRATEGIC REPORT (CONTINUED)**

###### **Principal Funding Sources**

During 2023, AATF continued to receive considerable support from members for programs across Africa. In addition, strong internal policies and controls have contributed to maintaining administration costs at reasonable levels. While AATF's focus is on SSA, it nevertheless offers the prospect and potential for its activities to benefit a wide range of stakeholders worldwide. AATF facilitates partnerships and networks that link food security, poverty reduction, market development and economic growth in ways that will change the conventional approaches employed by African producers engaged in agribusiness, to make these activities sustainable over time.

###### **Going concern**

The financial statements have been prepared on the going concern basis, which the trustees consider to be appropriate in the context of the Charity's ability to meet its obligations as they fall due in the period of 12 months following the date of approval of these financial statements. This assessment is based on the fact that all the major donors continue to fund the activities of the Charity. Currently majority of the projects have multi-year funding commitments. The overall cashflow situation of the Charity is expected to remain stable and based on the latest cashflow forecasts, it is estimated that the organisation will have cash and cash equivalents to the excess of US\$13.9 million, a year from the date of this report. This represents approximately 86% of our annual average budgets.

The trustees regularly review the medium and long-term financial position of the Foundation and the group, including its current and predicted future cash flows. During the 2023 financial year, the trustees gave considerable attention to the outlook of the Foundation and the group with a more rigorous financial modelling than usual. This includes aligning of the financial models to the new strategic plan covering year 2023 to 2027. This alignment will be in line with any donor calls or interest as AATF looks for additional funding to implement the strategy.

The Foundation has a reasonable level of liquid resources from ongoing grants with Bill and Melinda Gates Foundation, and the Africa Development Bank (AfDB), USAID among others. In year 2023 the foundation received new funding from International Food policy Research Institute-IFPRI and Michigan states university among others. In addition, the foundation the Africa Development Bank (AfDB) for TAAT Maize, and TAAF policy compact that were in the pipeline in year 2022 kicked off in year 2023.

The substantive 2024 budget presented and approved by the board in May 2024 meeting shows that total expected income will equal the projected expenditure hence the Foundation is expected to operate at zero surplus/ deficit level. The Foundation has a reasonable level of liquid resources buttressed by new grants provided GIZ and Al Sumait. Therefore, after taking into consideration the funding commitments and the cash flow position, the trustees have a reasonable expectation that the Foundation and the group have adequate resources to continue in operational existence for the foreseeable future of a minimum of 12 months from when these financial statements are approved. Accordingly, they continue to adopt a going concern basis in preparing these financial statements.

# **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

## **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

#### **STRATEGIC REPORT (CONTINUED)**

##### **Investment Policy**

AATF's objective is to maximise the return of its investment funds while generating a high degree of liquidity to enable a response to operational needs. To meet this objective AATF invests in fixed term or call deposits with a high security rating and either fixed interest rates or with a fixed relationship to base rates. Our interest rate is of course lower than what the market can offer due to our cautiousness on ensuring capital protection. During the year, there was no equity investment held by AATF. The board of trustees reviews AATF's investment policy annually.

##### **Reserves Policy**

The trustees have examined the requirement for free reserves. These are unrestricted funds that are neither invested in fixed assets designated for specific purposes nor otherwise committed. The policy objective is "to maximise the programme impact to beneficiaries and maximise the value of net income".

The trustees consider that given the nature of AATF's work, ideally the general reserve should preferably be in surplus, which gives flexibility to cover temporary timing differences for grant claims, adequate working capital for our core costs and allows it to respond quickly to unexpected situations. As at 31st December 2023, unrestricted reserves for the group stood at US\$ 9.9 million (2022: US\$12.6 million).

The group had a total of US\$1.6 million (2022: US\$2.45 million) worth of fixed assets, intangible assets and biological assets, hence remaining with free reserves of US\$7.7 million (2022: US\$10.2 million). The charity had unrestricted reserves amounting to US\$4.0 million (2022: US\$10.0 million) and fixed assets of US\$0.2 million (2022: US\$0.2 million), hence free reserves of US\$5 million (2022: US\$9.8 million). Free reserves were invested in financial instruments, in form of fixed and call deposits, in order to increase internally generated income. The trustees review the reserves policy on an annual basis in light of the new strategic policies and future commitments.

As per the AATF Finance Manual, the Foundation "will maintain a general cash reserve equivalent to at least four months of annual budget unless explicitly authorised by the board to operate on a lower reserve level". The 2024 approved budget by the board was US\$17.04 million of which US\$1.79 million were unrestricted funds and the balance of US\$15.24 million being restricted funds.

All AATF reserves are unrestricted and free upon which the Foundation can freely draw when necessary and particularly to cover:

1. Costs AATF will incur in case the organisation has to close.
2. Seed money for AATF to continue funding new projects or initiatives not funded by donor restricted grants.
3. Cost of operating expenses incurred while waiting for funding.
4. Cost of operating expenses not covered by any restricted donors' funds.

# **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

## **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

#### **STRATEGIC REPORT (CONTINUED)**

##### **Donated Services**

The trustees are grateful to Nigeria's Federal Ministry of Agriculture who provide office space in Abuja as part of their support to our work in the country. It is estimated that AATF makes savings amounting to over US\$18,000 on rent annually.

##### **Remuneration Policy**

All AATF staff pay is dictated by a salary survey that is conducted among comparators, funds availability and board approval. The survey is carried out every three years by an independent consultancy firm. The management presents the board with the results of the survey and suggestions of what is feasible taking into account the Foundation's budgetary situation. The audit committee of the board evaluates the survey results together with the management's proposal and makes its recommendation to the board for approval.

##### **Trustees' Indemnity Insurance**

AATF has granted an indemnity against liability to its trustees in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the trustees' report.

##### **Financial Risk Management**

The Foundation's activities expose it to a variety of financial risks, including credit and the effects of changes in foreign currency exchange rates.

The Foundation's overall risk management programme focuses on the unpredictability of changes in the business environment and seeks to minimise their potential adverse effect on its performance by setting acceptable levels. Risk management is carried out by a committee made of staff from the organisation's finance, technical, and legal departments, and the Executive Director's office. A detailed analysis of the financial risk management for the year is described below.



**AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION****REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023****TRUSTEES' ANNUAL REPORT (CONTINUED)****STRATEGIC REPORT (CONTINUED)****Market Risk****(i) Foreign exchange risk**

The Foundation receives its income (donations) mainly in US Dollars (US\$) and Great Britain Pounds (GBP). However, it incurs and pays for expenses in either Kenya Shillings (KES) or US\$. However, the Foundation's exposure to foreign exchange risk is minimal, and is mainly related to KES transactions. Invoices are settled in the currency in which they are received, hence minimal foreign currency gains/losses.

Balances held in currencies other than US\$ are as follows:

	<b>2023</b>	<b>2022</b>
	<b>US\$</b>	<b>US\$</b>
Cash and bank balances in KES	56,601	190,390
Cash and bank balances in GBP	1,616	4,157
Cash and bank balances in NGN	<u>383,315</u>	<u>90,438</u>
	<b><u>441,532</u></b>	<b><u>284,985</u></b>

**(ii) Interest Rate Risk Management**

The Foundation uses a fixed negotiated rate for both fixed and call deposits to avoid such risks related to floating rate.

**(iii) Price Risk**

The Foundation does not hold investments that would be subject to price risk; hence this is not relevant.

**(iv) Credit Risk**

The Foundation's credit risk is primarily attributable to its unexpended grants receivable. The credit risk on liquid funds with financial institutions is also low because the counter parties are banks with high credit-ratings.

The amount that best represents the Foundation's maximum exposure to credit as at 31 December 2023 was made up as follows:

	<b>Current</b>	<b>Past due</b>	<b>Impaired</b>
	<b>US \$</b>	<b>US \$</b>	<b>US \$</b>
Grants Receivable	1,669,901	0	0
Other Receivables	1,293,456	0	0
Cash and short-term deposits	<u>12,158,167</u>	<u>0</u>	<u>0</u>
	<b><u>15,121,524</u></b>	<b><u>0</u></b>	<b><u>0</u></b>

The amount that best represents the Foundation's maximum exposure to credit as at 31 December 2022 was made up as follows:

	<b>Current</b>	<b>Past due</b>	<b>Impaired</b>
	<b>US \$</b>	<b>US \$</b>	<b>US \$</b>
Grants Receivable	343,192	0	0
Other Receivables	1,234,256	0	0
Cash and short-term deposits	<u>16,597,941</u>	<u>0</u>	<u>0</u>
	<b><u>18,175,389</u></b>	<b><u>0</u></b>	<b><u>0</u></b>

## AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION

### REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023

#### TRUSTEES' ANNUAL REPORT (CONTINUED)

##### STRATEGIC REPORT (CONTINUED)

###### Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of trustees through the senior management of the Foundation. The management has built an appropriate liquidity risk management framework for the Foundation's short, medium and long-term funding and liquidity requirements. The Foundation manages liquidity risk by maintaining banking facilities through continuous monitoring of forecast and actual cash flows.

The table below analyses the Foundation's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	2023 US\$	2022 US\$
<b>Payables</b>	<b><u>1,058,420</u></b>	<b><u>1,128,221</u></b>

###### Major Risks

The major risks to which the charity is exposed to (managing existing potential liabilities) have been identified and reviewed by the trustees. The production and use of genetically modified organisms (GMOs) can create many potential liabilities. The producer or user of GM crops may be liable for the damage they cause to the person or property of another person or to the environment. Pollen flows from transgenic to non-transgenic crops cause damage. For instance, transgenic pollen flow may ruin the "organic" status of crops or the purity of the genetic material of other seeds. Questions may arise as to whether transgenic crops or their food products are toxic, allergenic or pose a long-term health threat. Claims for compensation in actions for personal or property damage could be based on a theory of negligence, trespass, nuisance, or strict liability.

The producer or user of GMOs may also be liable for infringement of intellectual property (IP) rights. This liability might even extend to farmers whose crops are accidentally affected by the presence of GMOs as a result of pollen flow or seed comingling.

A full risk register is updated annually, and the audit committee of the board reviews it twice a year. While all risks are taken seriously, the board and management have identified the following to be the most critical risks:

- Reduction or loss of funding; and
- Failure of subgrantees to comply with agreements.

The root causes were identified, and mitigating measures put in place.

The charity has instituted the following systems or procedures to manage those risks:

- The charity ensures compliance with IP, license and regulatory requirements for its projects. It adopts appropriate scientific and technical safeguards for all GMOs and advises stakeholders, including smallholder farmers as to their appropriate use.
- The charity uses indemnification clauses in its contracts with collaborative institutions. Indemnification is a promise, usually contractual, to protect a party from financial loss.
- The charity also uses warranty disclaimers in its contracts with collaborative institutions. A warranty, either express or implied, is a guarantee that a particular product or technology will serve a specified purpose.
- A letter of non-assertion is another risk mitigation measure available to the charity that assures the user that the technology owner will not enforce their IP rights.
- The use of technology and product stewardship procedures including comprehensive risk analyses for projects and/or project phases, appropriate risk-mitigation strategies (including appropriate insurance coverage, outlining specific uses for technology, management and oversight protocols, procedures to protect confidential information, etc.), and compliance with all applicable laws.

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

##### **STRATEGIC REPORT (CONTINUED)**

AATF's 5-year strategy (2022-2027) strives for food and nutrition security resulting from increased adoption of commercialised technologies by farmers with 20 per cent increase in yields and of 15 per cent in incomes. To still achieve these targets, AATF is planning to implement the following interventions:

1. Diversify Technologies and Accelerate Commercialisation: fast-tracking mitigation of food shortages and extending storability of food commodities.

##### **Short term interventions:**

- TEGO maize has high-yielding short season seeds, including drought tolerant crop varieties that can be planted under constrained conditions. The yield advantage can be promoted and disseminated in the target Water Efficient Maize for Africa (WEMA) countries, and in additional ones. However, extra funds are required to cover the additional countries.
- To improve access to seed and other inputs such as pesticides and fertilisers, AATF plans for its projects to create linkages with input suppliers and negotiate subsidised prices to support farmers get adequate yields. This will be done first for cassava/CAMAP/AgriDrive in Nigeria, Uganda and Zambia, followed by Seeds2B project countries of Uganda, Malawi and Ghana.
- AATF will promote digital extension and advisory services, online payments and fund transfers, and virtual learning platforms.
- Linking technology adoption with financial incentives.

##### **Medium to long term interventions:**

- Scaling food-bulk storage technologies to conserve harvests (storage infrastructure is lacking systematic maintenance and functionality).
  - Nutrition enhancing commercialisation strategies: Technology roll-out will give attention to nutritional issues and post-harvest technologies viz., the processing and storage techniques and facilities will need to comply with human nutrition requirements and safety standards.
2. Creating an Enabling Environment: Promote sustainable food supply systems, trade and labour markets in the agri-food sector.

##### **Short term interventions:**

- AATF will promote SeedAssure - the digital seed certification and quality assurance scheme to improve efficiencies and to limit face to face interaction and travel. This will also improve access to national and international markets as it becomes easier to understand what is required and to adhere to required standards (this will be scaled up to two additional countries with a required investment of US\$250k per country).
- AATF will also promote the Samawati Compliance E-Notebook which ensures compliance with project collaboration agreements in terms of governance, biosafety laws and stewardship plans.
- Advise policy makers and governments in general on evidence to support policy on various incentives to enable food affordability such as zero VAT rating, elimination of customs duties and other taxes on basic food items, incentives on energy inputs (e.g., diesel rebate, investment into renewable energy etc).
- Review of phyto-sanitary systems to facilitate access to essential foods, such as, advanced pest risk analysis, and harmonised regional regulatory systems for transboundary trade, among others.

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' ANNUAL REPORT (CONTINUED)**

##### **STRATEGIC REPORT (CONTINUED)**

###### **Medium to long term interventions:**

- Develop agribusiness capacity for processing, storage, logistics and wholesale functions, within African countries, to increase incomes, employment and improve resilience to global shocks in the medium to long term.
- Stronger focus on value addition within Africa to increase inter-regional trade and contain price fluctuations.
- Promotion of e-market/traceability and pack houses to mobilise produce from producers, store and make necessary preparation for marketing.
- AATF will continue to advocate for the addressing of pre-existing threats, such as climate change, locust invasions and change in ecological dynamics, as well remind the countries to focus on long term strategies to embrace innovative technologies.

###### **Risk Management**

In addition to the risks mentioned above, the board of trustees reviews AATF's key risks regularly as part of the monitoring process. This review, combined with that of key financial controls and other operational systems carried out through a structured audit program of each country of operation, have, in the past, provided AATF with adequate risk assurance. However, a more comprehensive mechanism to manage the operations of AATF has been incorporated in the new monitoring and evaluation system known as "AATF Monitoring Evaluation, Learning and Improvement and Align (AMELIA)". AATF has a dedicated Regulatory Affairs Unit in charge of technological risks.

Through this mechanism, risk mapping, analysis, and mitigation processes are carried out by the trustees and management in a more structured way. It is generally accepted that the board of trustees has overall responsibility for risk oversight. One of the roles of the board as stated in the AATF Board Manual is to ensure that "the future well-being of AATF is not jeopardised by exposing its financial resources, its staff or its credibility to imprudent risks".

As such, a risk management committee has been established with the purpose of assisting the board in executing its oversight responsibilities with regard to the risk appetite of the Foundation; the risk management and compliance framework; and the governance structure that supports it.

###### **Risk Management Committee**

By establishing a Risk Management Committee (the "Committee"), AATF management wants to provide its board with an understanding of the critical risks inherent in the Foundation's strategy. The board will find useful information about the critical assumptions underlying that strategy that will enable it to remain alert to organisational dysfunctions that can lead to excessive risk-taking. The board will therefore be able to provide input to executive management regarding critical risk issues on a timely basis.

The risk oversight process enables the board and management to develop a mutual understanding regarding the risks the Foundation faces over time. The AATF executive management has established a risk management committee to assist the board of trustees in fulfilling its oversight responsibilities with regard to the risk appetite of the Foundation and the risk management and compliance framework, and the governance structure that supports it. Risk appetite is defined as the level and type of risk the Foundation is able and willing to assume in its exposures and business activities, given its objectives and obligations to stakeholders.

**AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

**REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

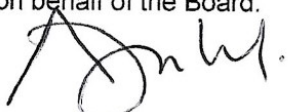
**TRUSTEES' ANNUAL REPORT (CONTINUED)**

**STRATEGIC REPORT (CONTINUED)**

The committee has the responsibility to:

- Review and assess risks facing the organisation and the steps management has taken to monitor, control, and report such exposures, including, without limitation, financial, technological, reputational, operational, fraud, strategic, and business-continuity risks, among others.
- Arrange risk assessment and management forums involving AATF trustees and staff.
- Review reports and significant internal and external audit findings with respect to the risk management and compliance activities of the Foundation, together with management's responses and follow-up of these reports.
- Review significant reports from regulatory agencies relating to risk management and compliance issues, and management's response.
- Advise trustees on risks facing AATF twice a year during regular board sessions.
- Recommend to the audit committee of the board to arrange for audits on subject matters identified through risk assessment.
- Recommend any necessary strategic or organisational changes as determined during risk assessment.
- Prepare and issue risk assessment and management reports (on individual cases and for the year).
- Review and evaluate the Foundation's policies and practices concerning risk assessment and management and twice a year present to the audit committee of the board a report summarising its review of the Foundation's risk assessment and management reports.
- Develop semi-annual reports regarding, among other things, the Foundation's compliance with laws and regulations to the audit committee of the board.
- Escalate to the audit committee for discussion at a joint session of the audit and risk committees items that have a significant compliance impact or that require significant financial statement/regulatory disclosures.

Trustees' Report and Strategic Report approved by the Board of Trustees  
and signed on behalf of the Board.



**Prof. Aggrey Ambali Chair - Board of Trustees**

Date: 20 September 2024

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **TRUSTEES' RESPONSIBILITIES STATEMENT**

The trustees (who are also directors of the African Agricultural Technology Foundation for company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP (FRS 102).
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

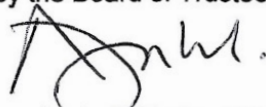
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Trustees and signed on behalf of the Board of Trustees.



**Prof. Aggrey Ambali Chair - Board of Trustees**

Date: 20 September 2024



## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

##### **Opinion**

We have audited the financial statements of African Agricultural Technology Foundation (the “charitable company”) for the year ended 31 December 2023 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2023 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting
- have been prepared in accordance with the requirements of the Companies Act 2006.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern.**

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION (CONTINUED)**

##### **Responsibilities of trustees (Cont...)**

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

##### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102) and the Companies Act. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation, employee legislation, taxation legislation and seed and bio-safety laws.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of grant income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, income testing on a sample basis, reviewing accounting estimates for biases, reviewing any regulatory correspondence and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION (CONTINUED)**

##### **Other information**

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

##### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

##### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

##### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

**REPORT AND FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION (CONTINUED)**

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Kerry Brown (Senior statutory auditor)**

for and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date: 24 September 2024

AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)

YEAR ENDED 31 DECEMBER 2023

	Note	Restricted funds 2023 US\$	Unrestricted funds 2023 US\$	Total funds 2023 US\$	Restricted funds 2022 US\$	Unrestricted funds 2022 US\$	Total funds 2022 US\$
<b>Income and endowments from:</b>							
Grants and donations	2 (a)	9,916,576	0	9,916,576	8,422,047	0	8,422,047
Charitable activities	2 (b)	0	2,194,673	2,194,673	0	1,339,067	1,339,067
Other trading activities	2 (c)	0	1,352,054	1,352,054	0	1,178,134	1,178,134
Investment income		0	547,138	547,138	0	594,526	594,526
- Gain on disposal of fixed asset		0	20,102	20,102	0	7,603	7,603
<b>Total</b>		<b>9,916,576</b>	<b>4,113,967</b>	<b>14,030,543</b>	<b>8,422,047</b>	<b>3,119,330</b>	<b>11,541,377</b>
<b>Expenditure on:</b>							
Raising funds		0	3,120,771	3,120,771	0	2,493,272	2,493,272
Charitable activities:							
- Direct costs	3	8,288,843	901,354	9,190,197	7,816,891	362,229	8,179,120
- Support costs**	3	2,594,221	2,612,487	5,206,708	2,257,690	1,343,931	3,601,621
<b>Total</b>		<b>10,883,064</b>	<b>6,634,612</b>	<b>17,517,676</b>	<b>10,074,581</b>	<b>4,199,432</b>	<b>14,274,013</b>
<b>Net operating income</b>		<b>(966,488)</b>	<b>(2,520,645)</b>	<b>(3,487,133)</b>	<b>(1,652,534)</b>	<b>(1,080,102)</b>	<b>(2,732,636)</b>
Other gains and losses							
Exchange difference on translating foreign operations		0	(828,115)	(828,115)	0	1,696,993	1,696,993
Transfers	12	(601,386)	601,386	0	(4,644,482)	4,644,482	0
<b>Net income / (expenditure)</b>		<b>(1,567,874)</b>	<b>(2,747,374)</b>	<b>(4,315,248)</b>	<b>(1,652,534)</b>	<b>5,261,373</b>	<b>(1,035,643)</b>
Attributable to the parent		(1,567,874)	(2,748,210)	(4,316,084)	(6,297,016)	5,260,537	(1,036,479)
Attributable to minority interest		0	896	896	0	836	836
<b>Reconciliation of funds</b>							
<b>Total funds b/f – as previously stated</b>		<b>8,475,530</b>	<b>12,642,325</b>	<b>21,117,855</b>	<b>14,772,546</b>	<b>7,381,788</b>	<b>22,154,334</b>
<b>Total funds b/f – as re-stated</b>		<b>8,475,530</b>	<b>12,642,325</b>	<b>21,117,855</b>	<b>14,772,546</b>	<b>7,381,788</b>	<b>22,154,334</b>
Net movement in funds		(1,567,874)	(2,748,210)	(4,316,084)	(6,297,016)	5,260,537	(1,036,479)
<b>Total funds carried forward</b>		<b>6,907,656</b>	<b>9,894,115</b>	<b>16,801,771</b>	<b>8,475,530</b>	<b>12,642,325</b>	<b>21,117,855</b>

\*\* In Note 16 (page 73), we have included the amount of governance costs of US\$ 241,349 (2022: US\$216,312) in the support costs.

N/B: Please refer to notes below for further details

The Charity's net deficit during the year ended 31 December 2023 was US\$ 3,385,038 (2022: US\$ 3,084,018).

The Statement of financial activities includes all gains and losses recognized in the year

# AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION

## CONSOLIDATED AND PARENT BALANCE SHEET - YEAR ENDED 31 DECEMBER 2023

	Notes	Group Consolidated 2023 US\$	Group Consolidated 2022 US\$	Charity 2023 US\$	Charity 2022 US\$
<b>Fixed assets</b>					
Intangible assets	8a	9,837	26,548	0	0
Tangible assets	8b	1,508,801	2,337,325	163,110	230,089
Investment in subsidiaries	19	0	0	36,719	36,719
Biological assets	8c	90,841	83,485	0	0
		<u>1,609,479</u>	<u>2,447,358</u>	<u>199,829</u>	<u>266,808</u>
<b>Current assets</b>					
Grants debtors	9	1,669,901	343,192	1,669,901	343,192
Other debtors	10	1,864,320	1,916,421	1,293,456	1,234,256
Deferred expense		73,349	62,884	0	0
Short term deposits		10,419,509	13,777,628	10,250,774	13,727,750
Cash at bank and in hand		2,339,055	3,127,630	1,907,393	2,870,191
Loans to group companies		0	0	845,707	1,179,702
Inventories	23	754,240	1,040,611	0	0
		<u>17,120,374</u>	<u>20,268,366</u>	<u>15,967,231</u>	<u>19,355,091</u>
<b>Current liabilities</b>					
Unexpended grant creditors	9	0	0	0	0
Capital grant		0	0	0	0
Deferred income		0	0	0	0
Current tax payable		(10,983)	(8,605)	0	0
Other creditors	11	(1,413,071)	(1,517,772)	(1,058,420)	(1,128,221)
		<u>(1,424,054)</u>	<u>(1,526,377)</u>	<u>(1,058,420)</u>	<u>(1,128,221)</u>
<b>Net current assets</b>		<u>15,696,320</u>	<u>18,741,989</u>	<u>14,908,811</u>	<u>18,226,870</u>
<b>Non-current liabilities</b>					
Deferred tax liability		(133,721)	(70,696)	0	0
Deferred grant	22	(370,236)	0	0	0
<b>Total assets less liabilities</b>		<u>16,801,842</u>	<u>21,118,651</u>	<u>15,108,640</u>	<u>18,493,678</u>
Unrestricted funds	12	9,894,115	12,642,325	8,200,984	10,018,148
Restricted funds	12	6,907,656	8,475,530	6,907,656	8,475,530
		<u>16,801,771</u>	<u>21,117,855</u>	<u>15,108,640</u>	<u>18,493,678</u>
Minority interest		71	796	0	0
<b>Total funds</b>		<u>16,801,842</u>	<u>21,118,651</u>	<u>15,108,640</u>	<u>18,493,678</u>

These financial statements are prepared in accordance with the Companies Act 2006 and are approved by the Board of Trustees and signed on its behalf:

  
Prof. Aggrey Ambali

Chair – Board of Trustees

Date 20 September 2024

The notes on pages 52 to 79 form part of these financial statements.

AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION

CONSOLIDATED STATEMENT OF CASHFLOWS - YEAR ENDED 31 DECEMBER 2023

		Group Consolidated 2023 US\$	Group Consolidated 2022 US\$	Charity 2023 US\$	Charity 2022 US\$
<b>Cash flows from operating activities</b>	<b>Note</b>				
Cash provided by operating activities	14	(3,796,708)	(4,444,909)	(4,760,529)	(2,178,481)
Tax received/(paid)		2,378	0	0	0
<b>Net cash provided by operating activities</b>		<b>(3,794,330)</b>	<b>(4,444,909)</b>	<b>(4,760,529)</b>	<b>(2,178,481)</b>
<b>Investing activities</b>					
Investment income		9,698	13,094	9,698	13,094
Purchase of assets	8b	(232,238)	(601,401)	(23,333)	(105,714)
Purchase of intangible assets	8a	0	(33,209)	0	0
Disposal of biological assets	8c	83,484	133,683	0	0
Purchase of biological assets	8c	(90,840)	(83,485)	0	0
Proceeds on disposal of equipment		31,163	150,378	395	3,182
Movement in loan advanced to group companies	25	0	0	333,995	(176,729)
Investment in subsidiaries		0	0	0	0
<b>Net cash used in investing activities</b>		<b>(198,733)</b>	<b>(420,940)</b>	<b>320,755</b>	<b>(266,167)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(3,993,063)</b>	<b>(4,865,849)</b>	<b>(4,439,774)</b>	<b>(2,444,648)</b>
Cash and cash equivalents at the beginning of the reporting period		16,905,258	19,928,698	16,597,941	19,042,589
Effect of translation on foreign entities		(153,631)	1,842,409	0	0
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>12,758,564</b>	<b>16,905,258</b>	<b>12,158,167</b>	<b>16,597,941</b>
<b>Analysis of changes in net debt</b>		<b>As at 01 January 2023</b>	<b>Cashflows</b>	<b>As at 31 December 2023</b>	
Cash and cash equivalents					
Cash		3,127,630	(788,575)	2,339,055	
Cash equivalents		13,777,628	(3,358,119)	10,419,509	
		<b>16,905,258</b>	<b>(4,146,694)</b>	<b>12,758,564</b>	

# AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023

### 1 ACCOUNTING POLICIES

#### Statement of Compliance and Basis of Preparation

African Agricultural Technology Foundation is a public benefit entity, a private company limited by guarantee, registered in England and whose headquarters is in Nairobi, Kenya. The Registered Office is c/o Arnold and Porter (UK) LLP, Level 30, Tower 42, 25 Old Broad Street, EC2N 1HQ, London, UK. The main country of reporting is Kenya where financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS). The audit exercise is undertaken both in Kenya and the UK. However, since the organisation is a registered company and charity in the UK, we are required to prepare financial statements in compliance with the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". African Agricultural Technology Foundation is a public benefit entity for the purposes of financial reporting in accordance with FRS 102.

The financial statements have been prepared under the historical cost convention. Except for the analysis of highest paid staff which is given in GBP for clarity of disclosure compliance, the financial statements are prepared in US\$ which is the functional currency of the Company and rounded to the nearest US\$.

A separate statement of financial activities and income and expenditure accounts are not presented for the Charity itself in accordance with the applicable exemptions afforded by section 408 of the Companies Act 2006. All group entities have uniform accounting policies.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The financial statements are prepared on a going concern basis.

#### Going concern

The financial statements have been prepared on the going concern basis, which the trustees consider to be appropriate in the context of the Charity's ability to meet its obligations as they fall due in the period of 12 months following the date of approval of these financial statements. This assessment is based on the fact that all the major donors continue to fund the activities of the Charity. Currently majority of the projects have multi-year funding commitments. The overall cashflow situation of the Charity is expected to remain stable and based on the latest cashflow forecasts, it is estimated that the organisation will have cash and cash equivalents to the excess of US\$13 million, a year from the date of this report. This represents approximately 86% of our annual average budgets.

The substantive 2024 budget presented and approved by the board in May 2024 meeting shows that total expected income will equal the projected expenditure hence the Foundation is expected to operate at zero surplus/ deficit level.

The Foundation has a reasonable level of liquid resources from both ongoing and new grants with Bill and Melinda Gates Foundation, the Africa Development Bank (AfDB), USAID, International Food policy Research Institute(IFPRI) and Michigan states university among others . Therefore, after taking into consideration the funding commitments and the cash flow position, the trustees have a reasonable expectation that the Foundation and the group have adequate resources to continue in operational existence for the foreseeable future of a minimum of 12 months from when these financial statements are approved. In addition, the Foundation received a 14 months' extension from BMGF for the TELA project and another 7 months extension for its EGS project. Therefore, after taking into consideration the scenarios, the trustees have a reasonable expectation that the Foundation and the group have adequate resources to continue in operational existence for the foreseeable future of a minimum of 12 months from when these financial statements are approved. Accordingly, they continue to adopt a going concern basis in preparing these financial statements.

**1 ACCOUNTING POLICIES (CONTINUED).**

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Specific areas of judgement include depreciation and useful economic lives of assets and provisions. The nature of the estimation means that actual outcomes could differ from those estimates. None of the judgements have a significant effect on the financial statements. These judgements and key sources of estimation uncertainty are set out in this section i.e., Note 1 (accounting policies) and specifically as set out in pages 52-79.

**Income**

Income is recognised in the accounts when all the below criteria are met:

- Entitlement – control over the rights or other access to the economic benefit has passed to the charity.
- Probable – it is more likely than not that the economic benefits associated with the transaction or gift will flow to the charity.
- Measurement – the monetary value or amount of the income can be measured reliably, and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

Overhead income represents revenue derived from projects' grants to support these indirect costs meant to cover administrative or other expenses related to general operations that are shared among projects and/or functions and which cannot be directly allocable to a particular activity. These may include executive oversight, existing facilities costs, accounting, grants management, legal expenses, utilities, and audit.

Grants are recognised as revenue upon the fulfilment of donor-imposed conditions or restrictions attached to the grants as explained below:

**Structure of Funds**

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified in the accounts as a restricted fund. Some restricted funds are in a deficit position due to the timing of recognition of grant income under the SORP. In the short term the projects funded by these restricted grants are pre-financed from general funds for cash flow purposes, the project expenditure is then matched with further restricted grants received since the year end when such expenditure meets the criteria of the related grant funding. Funds where the capital is held to generate income for charitable purposes and cannot be spent are accounted for as endowment funds. Other funds are classified as unrestricted funds. Funds which are not legally restricted but which the Trustees have chosen to earmark for set purposes are treated as designated funds. The major funds held within these categories are disclosed in note 2.

**Expenditure**

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any Value Added Tax (VAT) which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Other costs include those costs associated with meeting the constitutional and statutory requirements of the charity and includes the audit fees and costs linked to the strategic management of the charity.

**Support Costs**

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, and support costs are apportioned on an appropriate basis e.g., estimated usage, as set out in note 3.

## AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023

#### 1. ACCOUNTING POLICIES (CONTINUED)

##### **Tangible Assets**

Property, plant, and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Items of lasting value with an initial acquisition cost of less than US\$1,000 are charged to operating expenses in the year of purchase. For some donors like Bill and Melinda Gates Foundation all items valued less than US\$ 5,000 are considered operational expenses and not capital expenses.

Depreciation is provided on all property, plant, and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Computers and related equipment	3 years
Motor vehicles	4 years
Furniture and equipment	5 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

##### **Biological Assets**

An entity shall recognise a biological asset or agricultural produce when, and only when:

- the entity controls the asset as a result of past events.
- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

##### **Biological assets are measured at their fair value less costs to sell.**

A gain or loss arising on initial recognition of agricultural produce at fair value less costs to sell is included in surplus or deficit for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined rate is used to determine

An unconditional government grant related to a biological asset measured at its fair value less costs to sell is recognised as income when the government grant becomes receivable.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

##### **Intangible Assets**

Intangible assets acquired separately from a business are capitalised at cost. After initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight-line basis over their estimated useful lives. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The useful economic lives of intangible assets are as follows:

Computer Software 3 years

If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.



**1. ACCOUNTING POLICIES (CONTINUED)**

**Operating Leases**

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

**Retirement benefits obligations**

AATF operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

AATF makes pension contributions to an offshore defined pension contribution scheme (Vanbreda International) for expatriate staff and to a local defined pension scheme (Liberty) for all Kenyan staff. The contribution made is 15 per cent equivalent of each employee's basic salary.

**Translation of foreign currencies**

The Foundation's financial statements are presented in United States Dollars (US\$), the functional currency. Transactions and balances expressed in currencies other than the US Dollar are treated as follows:

- Non-US dollar grants and donations received in the year are converted to US dollars at the rates of exchange prevailing on the dates of receipt. Non-US dollar grants and donations pledged for the year but not received by the period-end are recognised in the financial statements at the rates of exchange prevailing at the period-end.
- Non-US dollar denominated expenditures are recorded at the average rates of exchange for the month in which they are incurred and are accumulated in US dollars.
- Assets and liabilities that are denominated in currencies other than the US dollar are restated into US dollars at the rates of exchange prevailing at the period-end.
- Gains and losses arising from changes in exchange rates are charged or credited to the statement of comprehensive income in the period in which they arise.
- Emoluments to key employees are translated from US dollars to Great British Pound using the rate of exchange prevailing at the period-end. This disclosure is in compliance with the requirements of the SORP reporting with regard to employees whose total emoluments exceed £60,000 annually. The emoluments have been presented in bands of £10,000.

**Taxation**

As a charity, AATF is exempt from tax on income and gains falling within Chapter 3 of Part 11 to the Corporation Tax Act 2010 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity. The charity is exempt from corporation tax and enjoys a Value added Tax (VAT) exemption.

**Donated Services**

The trustees are grateful to ARCN who has provided office space in Abuja as part of their support of our work in Nigeria. No value has been placed on this in the SOFA as it is not material in the context of the accounts.

**1. ACCOUNTING POLICIES (CONTINUED)**

**Financial Instruments**

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

**Financial Assets**

The company classifies all its financial assets as loans and receivables.

**Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g., trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

**Financial Liabilities**

The company classifies all its financial liabilities as liabilities at amortised cost. Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of liability carried into the statement of financial position.

**Inventories**

Inventories are measured at the lower cost and net realisable value on the first-in-first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

**AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

**2 (a) INCOME FROM GRANTS AND DONATIONS**

<b>Voluntary Income</b>	<b>Restricted funds 2023 US\$</b>	<b>Unrestricted funds 2023 US\$</b>	<b>Total funds 2023 US\$</b>	<b>Total funds 2022 US\$</b>
USAID	2,027,916	0	2,027,916	2,237,642
Bill & Melinda Gates Foundation – TELA	3,000,000	0	3,000,000	1,763,422
Bill & Melinda Gates Foundation – Cowpeas	0	0	0	1,000,000
Bill & Melinda Gates Foundation – OFAB	1,800,000	0	1,800,000	2,200,000
Bill & Melinda Gates Foundation – EGS	1,122,184	0	1,122,184	663,138
Bill & Melinda Gates Foundation – QBS	516,843	0	516,843	0
CSI100	62,632	0	62,632	100,094
Bill & Melinda Gates Foundation – Other	5,685	0	5,685	0
Africa Rice	28,729	0	28,729	0
MSU001	2,281	0	2,281	0
IFPRI 001	99,995	0	99,995	0
Bayer	32,032	0	32,032	0
PADCA	45,254	0	45,254	50,996
UKRI001	2,731	0	2,731	0
GCA	0	0	0	261,867
International Institute for Tropical Agriculture	1,054,594	0	1,054,594	100,278
Syngenta Foundation for Sustainable	0	0	0	(16,979)
EU - REA	115,700	0	115,700	61,589
Total voluntary income - Charity	<u>9,916,576</u>	<u>0</u>	<u>9,916,576</u>	<u>8,422,047</u>
Total voluntary income - Group	<u>9,916,576</u>	<u>0</u>	<u>9,916,576</u>	<u>8,422,047</u>
Income is analysed by geographical source of origin				
North America			8,572,623	7,973,853
Europe			120,712	351,870
Africa			1,160,609	(3,790)
Australia			62,632	100,114
			<u>9,916,576</u>	<u>8,422,047</u>

**2 (b) Charitable activities**

Overhead income	1,318,219	1,071,659
Miscellaneous income	876,454	267,408
	<u>2,194,673</u>	<u>1,339,067</u>

**2 (c) Other trading activities**

Trading revenues	1,186,554	1,045,264
Other income	165,500	132,870
	<u>1,352,054</u>	<u>1,178,134</u>

AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

3. CHARITABLE ACTIVITIES - 2023

	RES001	Subtotal	USAID	Bill & Melinda Gates	IIT004	AF0002	BAY001	CSI001	EUN001	GCA001	IFPRI 001	MSU001	UKRI001	Subtotal	Grand Total
Expenditure	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Outsourced Research Activities	7,245	7,245	789,225	2,837,600	0	0	0	48,548	0	0	0	0	0	3,675,373	3,682,618
Project supplies	15,775	15,775	6,853	56,071	0	0	0	0	0	0	17,579	0	0	80,503	96,278
Travel	225,035	225,035	103,734	416,591	136,522	0	0	85	13,642	0	20,752	30	1,738	693,094	918,129
Conference & W/shops	550,431	550,431	146,499	935,236	39,924	0	0	10,485	4,555	0	26,097	1,644	447	1,164,887	1,715,318
Rentals	102,868	102,868	77,456	131,329	0	0	0	0	0	0	0	0	0	208,785	311,653
Institutional Support	0	0	3,483	1,086,600	17,303	3,748	0	2,811	18,453	0	9,090	208	546	1,142,242	1,142,242
Direct staff costs	0	0	263,469	874,167	76,588	21,727	0	5,322	56,209	0	26,477	0	0	1,323,959	1,323,959
<b>Cost directly allocated to activities</b>	<b>901,354</b>	<b>901,354</b>	<b>1,390,719</b>	<b>6,337,594</b>	<b>270,337</b>	<b>25,475</b>	<b>0</b>	<b>67,251</b>	<b>92,859</b>	<b>0</b>	<b>99,995</b>	<b>1,882</b>	<b>2,731</b>	<b>8,288,843</b>	<b>9,190,197</b>
General Personnel Costs	1,112,565	1,112,565	409,887	1,208,118	0	0	0	0	0	0	0	0	0	1,618,005	2,730,570
Consultancy and other professional fees	471,300	471,300	91,074	360,821	4,626	0	0	0	80	0	0	453	0	457,054	928,354
Depreciation	5,587	5,587	76,580	7,840	0	0	0	306	0	0	0	0	0	84,726	90,313
General expenses and supplies	172,056	172,056	134,753	256,940	2,154	3,255	32,032	2,850	291	3,606	0	7	0	435,888	607,944
Forex Losses on revaluations	609,630	609,630	0	(1,452)	0	0	0	0	0	0	0	0	0	(1,452)	608,178
BOT	241,349	241,349	0	0	0	0	0	0	0	0	0	0	0	0	241,349
<b>Support cost directly allocated to activities</b>	<b>2,612,487</b>	<b>2,612,487</b>	<b>712,294</b>	<b>1,832,267</b>	<b>6,780</b>	<b>3,255</b>	<b>32,032</b>	<b>3,156</b>	<b>371</b>	<b>3,606</b>	<b>0</b>	<b>460</b>	<b>0</b>	<b>2,594,221</b>	<b>5,206,708</b>
<b>Total for the period</b>	<b>3,513,841</b>	<b>3,513,841</b>	<b>2,103,013</b>	<b>8,169,861</b>	<b>277,117</b>	<b>28,730</b>	<b>32,032</b>	<b>70,407</b>	<b>93,230</b>	<b>3,606</b>	<b>99,995</b>	<b>2,342</b>	<b>2,731</b>	<b>10,883,064</b>	<b>14,396,905</b>

AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

3 (b) CHARITABLE ACTIVITIES - 2022

	RES001	Subtotal	USAID	SYN003	Bill & Melinda Gates	IIT004	EUN001	GCA001	CSI001	Subtotal	Grand Total
<b>Expenditure</b>											
Outsourced Research Activities	3,858	3,858	601,587	0	2,053,987	0	0	0	23,667	2,679,241	2,683,099
Project Supplies	49,308	49,308	21,433	0	119,446	(8,000)	0	0	0	132,879	182,187
Travel	64,072	64,072	198,425	0	331,151	0	2,201	30,012	3,750	565,539	629,611
Conference & W/shops	216,804	216,804	286,262	0	697,493	17,753	1,800	27,645	6,023	1,036,976	1,253,780
Rentals	17,526	17,526	122,402	0	45,584	0	0	16,360	0	184,346	201,872
Direct staff costs	10,661	10,661	348,699	5,995	1,605,926	153,275	0	41,514	1,805	2,157,214	2,167,875
Institutional Support	0	0	35,276	600	974,756	0	26,227	16,248	7,589	1,060,696	1,060,696
<b>Cost directly allocated to activities</b>	<b>362,229</b>	<b>362,229</b>	<b>1,614,084</b>	<b>6,595</b>	<b>5,828,343</b>	<b>163,028</b>	<b>30,228</b>	<b>131,779</b>	<b>42,834</b>	<b>7,816,891</b>	<b>8,179,120</b>
General Personnel Costs	781,132	781,132	302,838	0	658,439	23,339	99,421	18,298	50	1,102,385	1,883,517
Consultancy and other professional services	383,119	383,119	110,373	0	158,867	0	1,075	73,855	0	344,170	727,289
Depreciation	4,561	4,561	82,061	0	13,860	1,001	306	0	0	97,228	101,789
General expenses and supplies	36,101	36,101	434,488	0	175,760	64	413	41,751	15,298	667,774	703,875
Forex Losses on revaluations	(1,748)	(1,748)	(27,403)	0	(2,011)	0	0	0	0	(29,414)	(31,162)
BOT	140,766	140,766	75,547	0	0	0	0	0	0	75,547	216,313
<b>Support cost directly allocated to</b>	<b>1,343,931</b>	<b>1,343,931</b>	<b>977,904</b>	<b>0</b>	<b>1,004,915</b>	<b>24,404</b>	<b>101,215</b>	<b>133,904</b>	<b>15,348</b>	<b>2,257,690</b>	<b>3,601,621</b>
<b>Total for the period</b>	<b>1,706,160</b>	<b>1,706,160</b>	<b>2,591,988</b>	<b>6,595</b>	<b>6,833,258</b>	<b>187,432</b>	<b>131,443</b>	<b>265,683</b>	<b>58,182</b>	<b>10,074,581</b>	<b>11,780,741</b>

**AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

<b>Personnel Costs - Group</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>US\$</b>	<b>US\$</b>	<b>£</b>	<b>£</b>
Salaries and wages	3,760,774	3,805,470	2,971,065	3,155,919
NI social security costs	231,636	244,263	182,996	202,570
Pension costs	388,164	407,879	306,655	338,258
Other personnel costs	292,249	347,863	230,881	288,487
	<b>4,672,823</b>	<b>4,805,475</b>	<b>3,691,597</b>	<b>3,985,234</b>
<b>Personnel costs - Charity</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>US\$</b>	<b>US\$</b>	<b>£</b>	<b>£</b>
Salaries and wages	3,219,160	3,175,373	2,543,182	2,633,372
NI social security costs	206,701	207,974	163,297	172,475
Pension costs	350,764	338,487	277,109	280,711
Other personnel costs	277,903	329,559	219,547	273,307
	<b>4,054,528</b>	<b>4,051,393</b>	<b>3,203,135</b>	<b>3,359,865</b>

The Charity had an average of 46 employees during the year (2022: 46). The Group had an average of 66 employees during the year (2022: 69). The directors consider that key management personnel are the senior management (executive directors). Remuneration for key management personnel for the charity totalled \$1,161,281/£917,428.50 (2022:\$1,159,426/£1,398,059).

	<b>2023</b>	<b>2022</b>
<b>Staff paid over £60,000*</b>	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	1	1
£70,001 - £80,000	0	0
£80,001 - £90,000	0	0
£90,001 - £100,000	0	0
£100,001 - £110,000	0	1
£110,001 - £120,000	2	1
£120,001 - £130,000	0	1
£130,001 - £140,000	0	0
£140,001 - £150,000	6	0
£150,001 - £160,000	2	4
£160,001 - £170,000	1	2
£170,001 - £180,000	1	2
£180,001 - £190,000	1	2
£190,001 - £200,000	0	0
£200,001 - £210,000	0	0
£210,001 - £220,000	0	0
£220,001 - £230,000	0	0
£230,001 - £240,000	1	1

\*Comprising all forms of consideration paid in exchange for the service rendered by employees including remuneration, salary, benefits, employer's pension contributions and any termination payments made.

Contributions in the year for the above higher-paid charity employees to defined contribution pension scheme totalled \$107,739/ £85,114 (2022: US\$103,682 / £124,986).

The number of the above higher-paid employees to whom retirement benefits are accruing under defined contribution pension schemes for the charity totalled 15 (2022:13).

**AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

**4 CONSULTANTS' AND PROFESSIONAL**

	<b>Group</b>		<b>Charity</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Consultants' fees	618,490	603,708	585,846	539,645
Consultants' travel, accommodation, and reimbursements	176	5,304	176	5,304
External audit (Various - See Note 6)	106,103	49,155	78,194	16,543
Internal audit (KKCO)	32,819	13,637	32,819	13,637
Legal fees	96,069	52,877	74,908	22,754
Taxation and secretarial services	156,410	142,926	156,410	129,406
	<b><u>1,010,067</u></b>	<b><u>867,607</u></b>	<b><u>928,353</u></b>	<b><u>727,289</u></b>
Allocated:				
Charitable expenditure (note 3)	928,353	727,289	928,353	727,289
Trading expenses – subsidiaries	81,714	140,318	0	0
	<b><u>1,010,067</u></b>	<b><u>867,607</u></b>	<b><u>928,353</u></b>	<b><u>727,289</u></b>

**5 GENERAL EXPENSES AND SUPPLIES**

	<b>Group</b>		<b>Charity</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Office and computer supplies	265,525	393,948	290,738	243,663
Communication	258,594	327,525	272,039	93,939
Vehicle expenses	42,971	47,566	47,566	41,216
Other office expenses	388,399	271,327	131,034	112,088
	<b><u>955,489</u></b>	<b><u>1,040,366</u></b>	<b><u>741,377</u></b>	<b><u>490,906</u></b>

# AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023

### 6 NET INCOME / (EXPENDITURE) FOR THE YEAR

This is stated after charging:

	Group		Charity	
	2023	2022	2023	2022
	US\$	US\$	US\$	US\$
Depreciation - Property, plant, and equipment (PP&E)	385,591	478,959	90,312	101,789
Amortisation	4,776	4,776	0	0
External Audit - Charity (Crowe – UK)	36,898	33,275	36,898	33,275
External Audit - Charity (Crowe Erastus & Co.)	41,296	33,988	41,296	33,988
External Audit – Agridrive Nigeria Ltd (Grant Thornton – Nigeria)	5,643	5,957	0	0
External Audit – Eco basics Nigeria Ltd (MacTheo Consultants – Nigeria)	8,706	11,757	0	0
External Audit – QBS Kenya Ltd (BDO Kenya / BDO ZIM & BDO RSA)	13,542	16,165	0	0
Fees payable to company auditors for other services	2,800	2,800	2,800	2,800
Operating lease costs	149,840	107,353	122,075	107,353

AATF entered into a hosting agreement with International Livestock Research Institute (ILRI). This agreement includes among other things a lease arrangement for office space by AATF payable on a quarterly basis. The management has determined that it may continue leasing this office space for the next six years up until 31 December 2028. Therefore, the total of future minimum lease payments made under non-cancellable operating leases for the next year is US\$ 153,040 (2022: US\$106,144). The total of future minimum lease payments made under optional operating leases for the next two to five years is US\$ 832,470 (2022: US\$577,377). The total of future minimum lease payments made under optional operating leases for the period after five years is US\$0 (2022:US\$192,832).

### 7 TRUSTEE REMUNERATION AND RELATED PARTY TRANSACTIONS

The Board of Trustees (BOT) of the Foundation were paid honoraria of US\$80,188 (2022:US\$59,160) for their role in meetings and other corporate activities of the Foundation. Indemnity insurance for trustees that was paid during the year amounted US\$10,045 (2022:US\$9,144). Other board meeting expenses were non-BOT per diem US\$ 34,874 (2022: US\$20,447) and other board expenses 126,357 (2022: US\$145,760). During the year, board meetings were held physically that necessitated travels. The costs associated to these travels amounted to US\$97,262 which are included in other board expenses.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2022: Nil).

The charity has advanced loans to senior management personnel, the balance outstanding at the year-end totalled US\$ 47,162 for 3 employees (2022: US\$26,365 for 3 employees). Such loans are interest free. During the year remuneration was paid to C Kanangire, Trustee, of \$301,227 (2022: \$287,073) in their capacity as Executive Director of the Charity, as permitted by the provisions in the Charity's Governing Documents. During the year advances were paid to C Kanangire of \$54,352 relating to advances in accordance with his role as Executive Director at the Charity. During the year \$59,626 was repaid by the C Kanangire and the year-end balance was \$15,996 (2022: \$21,269).

No one party has ultimate control over the charity, and all transactions are on an arm's length basis.

We have disclosed in detail the subsidiaries under charity's control as at 31 December 2023 in note 19 "Investment in Subsidiaries".



**AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

<b>8(a) INTANGIBLE ASSETS - GROUP</b>	<b>Computer software US\$</b>	<b>Total US\$</b>
<b>Cost</b>		
At 1 January 2023	85,070	85,070
Additions	0	0
Foreign exchange movement	(16,848)	(16,848)
<b>At 31 December 2023</b>	<b><u>68,222</u></b>	<b><u>68,222</u></b>
<b>Amortisation</b>		
At 1 January 2023	58,522	58,522
Charge for the year	4,776	4,776
Foreign exchange movement	(4,913)	(4,913)
<b>At 31 December 2023</b>	<b><u>58,385</u></b>	<b><u>58,385</u></b>
<b>Net book value</b>		
As at 31 December 2023	<u>9,837</u>	<u>9,837</u>
As at 31 December 2022	<u>26,548</u>	<u>26,548</u>
<b>8(a) INTANGIBLE ASSETS - CHARITY</b>		
	<b>Computer software US\$</b>	<b>Total US\$</b>
<b>Cost</b>		
At 1 January 2023	51,524	51,524
Additions	0	0
<b>At 31 December 2023</b>	<b><u>51,524</u></b>	<b><u>51,524</u></b>
<b>Amortisation</b>		
At 1 January 2023	51,524	51,524
Charge for the year	0	0
<b>At 31 December 2023</b>	<b><u>51,524</u></b>	<b><u>51,524</u></b>
<b>Net book value</b>		
As at 31 December 2023	<u>0</u>	<u>0</u>
As at 31 December 2022	<u>0</u>	<u>0</u>

AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023

8(b) TANGIBLE ASSETS - GROUP

	Motor Vehicles, trailers, m/hikes US\$	Furniture and office equipment US\$	Computers and related equipment US\$	Tractors US\$	Farm Equipment and Implement US\$	Work in Progress (WIP) US\$	Buildings US\$	Leasehold Improvements US\$	Plant & machinery US\$	Temporary Buildings US\$	Land US\$	Total US\$
<b>Cost</b>												
At 1 January 2023	1,253,434	349,070	235,085	1,562,664	428,036	124,066	337,908	27,411	0	0	13,488	4,331,160
Additions	2,666	5,388	35,444	4,361	2,203	171,861		0	2,701	7,613	0	232,238
Disposals	(39,277)	(11,359)	(11,953)		(36,883)	0	0	0	0	0	0	(99,472)
Translation difference	(259,426)	(53,924)	(18,438)	(548,069)	(216,328)	0	(71,940)	(13,853)	0	0	(6,817)	(1,188,797)
<b>As at 31 Dec 2023</b>	<b>957,397</b>	<b>289,175</b>	<b>240,137</b>	<b>1,018,955</b>	<b>177,028</b>	<b>295,927</b>	<b>265,968</b>	<b>13,558</b>	<b>2,701</b>	<b>7,613</b>	<b>6,671</b>	<b>3,275,129</b>
<b>Depreciation</b>												
At 1 January 2023	758,405	259,264	198,876	459,157	296,771	0	0	21,363	0	0	0	1,993,836
Charge for the year	148,115	47,485	24,126	120,000	40,514	0	0	3,932	296	1,122	0	385,591
Disposals	(43,347)	(11,359)	(11,880)	0	(21,826)	0	0	0	0	0	0	(88,412)
Translation difference	(108,687)	(36,865)	(10,047)	(194,058)	(162,573)	0	0	(12,017)	(92)	(348)	0	(524,687)
<b>As at 31 Dec 2023</b>	<b>754,486</b>	<b>258,526</b>	<b>201,075</b>	<b>385,099</b>	<b>152,886</b>	<b>0</b>	<b>0</b>	<b>13,278</b>	<b>204</b>	<b>774</b>	<b>0</b>	<b>1,766,328</b>
<b>Net book value</b>												
<b>As at 31 Dec 2023</b>	<b>202,911</b>	<b>30,649</b>	<b>39,062</b>	<b>633,856</b>	<b>24,142</b>	<b>295,927</b>	<b>265,968</b>	<b>279</b>	<b>2,497</b>	<b>6,839</b>	<b>6,671</b>	<b>1,508,801</b>
<b>As at 31 Dec 2022</b>	<b>495,028</b>	<b>89,807</b>	<b>36,208</b>	<b>1,103,508</b>	<b>131,265</b>	<b>124,065</b>	<b>337,908</b>	<b>6,048</b>	<b>0</b>	<b>0</b>	<b>13,488</b>	<b>2,337,325</b>

8(b) TANGIBLE ASSETS - CHARITY

	Motor vehicles, US\$	Furniture & office US\$	Computers & related US\$	Total US\$
<b>Cost</b>				
At 1 January 2023	700,311	163,591	184,996	1,048,898
Additions	0	0	23,333	23,333
Disposals	0	(10,340)	(5,727)	(16,067)
<b>As at 31 December 2023</b>	<b>700,311</b>	<b>153,251</b>	<b>202,602</b>	<b>1,056,164</b>
<b>Depreciation</b>				
At 1 January 2023	516,599	133,541	168,669	818,809
Charge for the year	59,646	13,638	17,028	90,312
Disposals	0	(10,340)	(5,727)	(16,067)
<b>As at 31 December 2023</b>	<b>576,245</b>	<b>136,839</b>	<b>179,970</b>	<b>893,054</b>
<b>Net book value</b>				
<b>As at 31 December 2023</b>	<b>124,066</b>	<b>16,412</b>	<b>22,632</b>	<b>163,110</b>
<b>As at 31 December 2022</b>	<b>183,712</b>	<b>30,050</b>	<b>16,327</b>	<b>230,089</b>

**AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

**8(c) BIOLOGICAL ASSETS**

<b>Cost</b>	<b>Group US\$</b>	<b>Charity US\$</b>
At 1 January 202	83,485	0
Additions	90,840	0
Disposal	(65,711)	
(Decreases) due to harvest	(17,773)	0
<b>As at 31 December 2023</b>	<b><u>90,841</u></b>	<b><u>0</u></b>
<b>Depreciation</b>		
At 1 January 2023	0	0
Charge for the year	0	0
Disposals	0	0
<b>As at 31 December 2023</b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Net book value</b>		
<b>As at 31 December 2023</b>	<b><u>90,841</u></b>	<b><u>0</u></b>
<b>As at 31 December 2022</b>	<b><u>83,485</u></b>	<b><u>0</u></b>

The biological assets reported in this note relates to hybrid maize seeds cultivated by the charity's subsidiary, QBS Kenya Limited. Biological assets are measured at their fair value less costs to sell.

AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023

9 GRANT DEBTORS / (UNEXPENDED GRANTS)

Donor	Grant Debtors brought forward 01.01.2023	Unexpended grants brought forward 01.01.2023	Income Recognized	Bank Receipts	Transfers	Adjustments	Grant Debtors carried forward 31.12.2023	Unexpended grants carried forward 31.12.2023
	US\$	US\$	US\$	US\$			US\$	US\$
USAID	233,521	0	2,027,916	796,969	198	0	1,464,467	0
BMGF-TELA, Hybrid Rice, OFAB, QBS	0	0	6,444,712	7,675,579	2,049	601,386	640,851	0
IITA	104,068	0	1,054,594	1,051,720	52,961	0	53,981	0
PADCA	0	0	45,254	45,254	0	0	0	0
PASSTA	(3,403)	0	0	0	(3,403)	0	0	0
CSI	0	0	62,632	62,632	0	0	0	0
MSU001	0	0	2,281	0	0	0	2,281	0
IFPRI 001	0	0	99,995	0	0	0	99,995	0
UKRI001	0	0	2,731	0	0	0	2,731	0
Bayer	0	0	32,032	0	0	0	32,032	0
Africa Rice	0	0	28,729	20,000	0	0	8,729	0
Commonwealth for Science	0	0	0	0	0	0	0	0
EU - REA	9,006	0	115,700	124,706	0	0	0	0
<b>Total – Charity</b>	<b>343,192</b>	<b>0</b>	<b>9,916,576</b>	<b>9,776,860</b>	<b>51,805</b>	<b>0</b>	<b>2,305,067</b>	<b>0</b>
BMGF – (Subsidiaries)	0	0	1,236,552	0	0	(601,386)	(635,166)	0
<b>Total – Group</b>	<b>343,192</b>	<b>0</b>	<b>11,153,128</b>	<b>9,776,860</b>	<b>0</b>	<b>0</b>	<b>1,669,901</b>	<b>0</b>

AATF disbursed US\$ 1,236,552/- to subsidiaries during the year. The subsidiaries spent a total of US\$ 601,386 with US\$ 635,166 remaining unspent. The balance which was a payable to AATF and a receivable from subsidiaries was netted off and reported as zero in consolidated balancesheet.

10 OTHER DEBTORS

	Group		Charity	
	2023 US\$	2022 US\$	2023 US\$	2022 US\$
Staff loans	249,900	83,293	237,633	65,726
Advances for travel and expenses	104,028	249,539	103,032	249,539
ILRI	82,387	137,082	82,386	137,082
AIARC current account	34,937	0	34,937	0
Collaborating Organisations	0	9,452	77,252	157,995
Trade debtors	557,111	629,971	0	0
USDA - FAS	358,742	315,408	358,742	315,408
Related parties	0	0	210,447	223,474
Harvest Cool	93,891		93,891	
Klein Karoo	40,125	40,124	40,124	40,124
Credit cards	21,600	0	21,600	0
Other receivables	147,690	160,717	33,412	35,456
VAT	0	672	0	0
Prepayments	173,909	290,163	0	9,452
<b>Total other debtors</b>	<b>1,864,320</b>	<b>1,916,421</b>	<b>1,293,456</b>	<b>1,234,256</b>

Loans are provided to staff, after approval in accordance with AATF's policies, as part of AATF's staff retention strategy, as such incentives are provided by other similar local organisations.

**AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

<b>11 ANALYSIS OF CREDITORS FALLING DUE WITHIN ONE YEAR</b>	<b>Group</b>		<b>Charity</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Accrued leave	205,384	190,877	205,384	190,877
Accrued services	177,372	120,231	164,118	100,612
Other creditors	221,417	202,284	10,787	792
Trade creditors	72,093	151,345	367	32,270
Seed Revolving Fund	5,600	24,301	5,600	24,301
AIARC current account	0	142,953	0	142,953
Collaborating Organisations	0	20,706	0	20,706
Credit cards	0	7,749	0	7,748
Payroll tax	0	46,393	0	46,393
Social Security and other taxes	687,295	566,570	672,164	561,569
VAT	43,910	44,363	0	0
	<b><u>1,413,071</u></b>	<b><u>1,517,772</u></b>	<b><u>1,058,420</u></b>	<b><u>1,128,221</u></b>

AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023

12 (a) MOVEMENT IN FUNDS

Fund name	Fund balances brought forward 1.1.2023	Incoming resources	Outgoing resources	Other gains and (losses)**	Transfers*	Fund balances carried forward 31.12.2023
Unrestricted:	US\$	US\$	US\$	US\$	US\$	US\$
Rockefeller	265,688	0	0	0	0	265,688
DFID	962,550	0	0	0	0	962,550
Reserves Account	4,814,268	2,741,811	(3,513,841)	0	0	4,042,238
Sub-total Unrestricted - Charity	6,042,506	2,741,811	(3,513,841)	0	0	5,270,476
<b>Restricted:</b>						
USAID	131,373	2,027,916	(2,103,013)	0	0	56,276
Bill and Melinda Gates Foundation	8,184,630	6,444,712	(8,169,861)	0	(601,386)	5,858,095
IITA	(16,753)	1,054,594	(277,117)	0	0	760,724
CIMMYT	(2)	0	0	0	0	(2)
SFSA	32,808	0		0	0	32,808
AGRA	(2,249)			0	0	(2,249)
Africa Harvest	89,076	28,729	(28,730)	0	0	89,075
NEPAD/FARA	17,083			0	0	17,083
Kirkhouse Trust	12,824			0	0	12,824
EU-REA	(304)	115,700	(93,230)	0	0	22,166
FOCAC	27,044			0	0	27,044
GCA	0		(3,606)	0	0	(3,606)
CSI	0	62,632	(70,407)	0	0	(7,775)
BAYER	0	32,032	(32,032)	0	0	0
PADCA	0	45,254	0	0	0	45,254
MSU001	0	2,281	(2,342)	0	0	(61)
IFPRI 001	0	99,995	(99,995)	0	0	0
UKRI001	0	2,731	(2,731)	0	0	0
Sub-total Restricted - Charity	8,475,530	9,916,576	(10,883,064)	0	(601,386)	6,907,656
Total Charity	14,518,036	12,658,387	(14,396,905)	0	0	12,178,132
<b>Unrestricted</b>						
Subsidiaries' Activities – Agridrive Ltd, QBS Ltd & Fonbasics	6,600,615	1,372,156	(3,120,771)	(829,747)	601,386	4,623,639
Total funds	21,118,651	14,030,543	(17,517,676)	(829,747)	0	16,801,771

\* Refers to BMGF funds spent by the subsidiaries. During the year, BMGF funds amounting to USD 1,236,552 was sub granted to the subsidiaries, out of which USD 601,386 was spent / utilized during the year. The unspent balance of USD 635,166 was reported under note 22.

\*\* Refers to translations of foreign operations and movement in minority interest balances.

AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023

12 (a) MOVEMENT IN FUNDS

Fund name	Fund balances brought forward 1.1.2022 (Restated)	Incoming resources	Outgoing resources	Other gains and losses	Transfers*	Fund balances carried forward 31.12.2022
Unrestricted:	US\$	US\$	US\$		US\$	US\$
Rockefeller	265,688	0	0			265,688
DFID	962,550	0	0			962,550
Reserves Account	4,651,466	1,933,593	(1,706,160)		(64,631)	4,814,268
Sub-total Unrestricted - Charity	<u>5,879,704</u>	<u>1,933,593</u>	<u>(1,706,160)</u>		<u>(64,631)</u>	<u>6,042,506</u>
<b>Restricted:</b>						
USAID	485,719	2,237,642	(2,591,988)			131,373
Bill and Melinda Gates Foundation	14,100,441	5,626,560	(6,833,258)		(4,709,113)	8,184,630
IITA	70,401	100,278	(187,432)			(16,753)
CIMMYT	(2)					(2)
SFSA	18,286	344,982	(330,460)			32,808
AGRA	(2,249)					(2,249)
SNV Netherlands	(115,627)	50,996			64,631	0
Africa Harvest	89,076					89,076
NEPAD/FARA	17,083					17,083
Kirkhouse Trust	12,824					12,824
EU-REA	69,550	61,589	(131,443)			(304)
FOCAC	27,044					27,044
Sub-total Restricted - Charity	<u>14,772,546</u>	<u>8,422,047</u>	<u>(10,074,581)</u>		<u>(4,644,482)</u>	<u>8,475,530</u>
Total Charity	<u>20,652,250</u>	<u>10,355,640</u>	<u>(11,780,741)</u>	0	<u>(4,709,113)</u>	<u>14,518,036</u>
<b>Unrestricted</b>						
Subsidiaries' Activities – Agridrive Ltd, QBS Ltd & Ecobasics	1,502,084	1,185,737	(2,493,312)	1,696,993	4,709,113	6,600,615
Total funds	<u>22,154,334</u>	<u>11,541,377</u>	<u>(14,274,053)</u>	<u>1,696,993</u>	<u>0</u>	<u>21,118,651</u>

\*Transfer of US\$ 4,709,113 relates to reconciliation of Bill and Melinda Gates closing fund balance. When BMGF funds were subgranted to subsidiaries, the expense was recognized under 'Unrestricted' reserve activities. During the year, accumulated expenses that were initially recognized under unrestricted reserve activities were transferred to BMFG. This reduced BMGF fund balance held as payable to BMGF.

\*\* Transfer of US\$ 64,631 relates to expense that was absorbed by general fund, transferring the excess expenditure to general fund

## **AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

### **NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

#### **12 MOVEMENT IN FUNDS (CONTINUED)**

Some restricted funds are in a deficit position due to the timing of recognition of grant income under the SORP. In the short term the projects funded by these restricted grants are pre-financed from general funds for cash flow purposes, the project expenditure is then matched with further restricted grants received since the year end when such expenditure meets the criteria of the related grant funding.

Unrestricted funds can be used in accordance with the charitable objects at the discretion of the trustees. Restricted funds can only be used for the projects for which they are designated. Details are as given below:

- USAID grant is for Cowpea, NEWEST Rice, and TELA projects. USAID also extended a sub-grant to AATF for Seeds2B Project through SFSA (lead grantee).
- Bill and Melinda Gates Foundation grant is for the TELA, OFAB, Hybrid Rice, EGS and Qualibasic Seeds projects.
- The African Development Bank extended a sub-grant to AATF for TAAT compacts through IITA (lead grantee).
- CIMMYT sub-grant was for Maize Lethal Necrosis project.
- Syngenta Foundation for Sustainable Agriculture (SFSA) leverages the PASTTA project.
- SNV Netherlands Development Organisation Ghana extended a grant to fund GATE project work in Ghana.
- European Union's Research Executive Agency (EU-REA) funds BIOA4AFRICA project.



AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted	Unrestricted	Totals	Restricted	Unrestricted	Totals
	US\$	US\$	2023 US\$	US\$	US\$	2022 US\$
Tangible fixed assets	0	1,508,801	1,508,801	0	2,337,325	2,337,325
Intangible assets	0	9,837	9,837	0	26,548	26,548
Deferred tax asset	0	0	0	0	0	0
Biological assets	0	90,841	90,841	0	83,485	83,485
Grant debtors	1,669,901	0	1,669,901	343,192	0	343,192
Other debtors	452,633	1,411,687	1,864,320	492,613	1,423,808	1,916,421
Cash at bank and in hand	4,785,122	7,973,442	12,758,564	7,660,431	9,244,827	16,905,258
Inventories	0	754,240	754,240	0	1,040,611	1,040,611
Deferred expense	0	73,349	73,349	0	62,884	62,884
Current tax payable	0	(10,983)	(10,983)	0	(8,605)	(8,605)
Creditors due within one year	0	(1,413,071)	(1,413,071)	(20,706)	(1,497,066)	(1,517,772)
Capital grant	0	(370,236)	(370,236)	0	0	0
Deferred tax liability	0	(133,721)	(133,721)	0	(70,696)	(70,696)
	<b>6,907,656</b>	<b>9,894,186</b>	<b>16,801,842</b>	<b>8,475,530</b>	<b>12,643,121</b>	<b>21,118,651</b>
<b>Charity</b>						
Tangible fixed assets	0	163,110	163,110	0	230,089	230,089
Investment in subsidiaries	0	36,719	36,719	0	36,719	36,719
Loans to group companies	0	845,707	845,707	0	1,179,702	1,179,702
Grant debtors	1,669,901	0	1,669,901	343,192	0	343,192
Other debtors	452,633	840,823	1,293,455	492,613	741,643	1,234,256
Cash at bank and in hand	4,785,122	7,373,045	12,158,167	7,660,431	8,937,510	16,597,941
Creditors due within one year	0	(1,058,420)	(1,058,420)	(20,706)	(1,107,515)	(1,128,221)
	<b>6,907,656</b>	<b>8,200,984</b>	<b>15,108,639</b>	<b>8,475,530</b>	<b>10,018,148</b>	<b>18,493,678</b>

**AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

**14 NET CASH GENERATED FROM OPERATING ACTIVITIES**

	<b>Group</b>		<b>Charity</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Reconciliation of net income for the year to net cash generated from operations				
(a) Net income for the year	(3,487,133)	(2,732,636)	(3,385,038)	(3,084,018)
<b>Adjustments for:</b>				
Depreciation	385,591	478,959	90,312	101,789
Amortisation	4,776	6,994	0	0
Gain on disposal of equipment	(20,102)	(7,603)	(395)	(1,362)
Interest received	(9,698)	(13,094)	(9,698)	(13,094)
Restatement	0	(214,954)	0	0
Movement in deferred grant	(10,465)	(62,884)	0	0
Movement in capital grant	0	(1,277,933)	0	0
<b>Working capital changes:</b>				
Decrease / (Increase) in grants debtors	(1,326,709)	(505,730)	(1,326,709)	(505,730)
Increase / (Decrease) in grants creditors	370,236	(628,302)	0	0
(Increase) / decrease in other debtors	52,101	(592,835)	(59,200)	34,211
Increase / (Decrease) in other creditors	(104,701)	58,117	(69,801)	(36,986)
Increase in deferred tax liability	63,025	0	0	0
Decrease / (Increase) in inventories	286,371	(279,717)	0	0
<b>Net cash provided by operating activities</b>	<b>(3,796,708)</b>	<b>(5,771,618)</b>	<b>(4,760,529)</b>	<b>(3,505,190)</b>

<b>Analysis of funds: Group</b>	<b>At 1 January 2022</b>	<b>Cashflow 2022</b>	<b>At 31 December 2022</b>	<b>Cashflow 2023</b>	<b>At 31 December 2023</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Cash	5,704,519	(2,576,889)	3,127,630	(788,575)	2,339,055
Short term deposits	14,224,179	(446,551)	13,777,628	(3,358,119)	10,419,509
<b>Analysis of funds: Charity</b>					
Cash	4,818,410	(1,948,219)	2,870,191	(962,798)	1,907,393
Short term deposits	14,224,179	(496,429)	13,727,750	(3,476,976)	10,250,774

**AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

**15 INCORPORATION/REGISTRATION**

The Foundation is incorporated and registered as a private company limited by guarantee and not having share capital. It has been registered in the United Kingdom (January 2003) and in Kenya (April 2003), respectively. It was registered as a charity in England and Wales in January 2005. It was granted host country status by the Government of Kenya in June 2005.

	<b>2023</b>	<b>2022</b>
	<b>US\$</b>	<b>US\$</b>
<b>16 GOVERNANCE COSTS</b>		
Honoraria	80,118	59,160
Meeting expenses	161,231	157,152
Consulting and other services (note 3)	0	0
	<b>241,349</b>	<b>216,312</b>

**17 PENSION COMMITMENTS**

The assets of the defined contribution pension scheme are held separately from those of the company in a range of funds provided and administered by an independent plan provider. Contributions of US\$ 338,487/- (2022: US\$ 338,487/-) were charged to the statement of financial activities during the financial year as they became payable in accordance with the rules of the scheme. There are no outstanding contributions at the current year-end (2022: US\$ nil).

**18 FINANCIAL INSTRUMENTS**

	<b>Group</b>	<b>Group</b>	<b>Charity</b>	<b>Charity</b>
	<b>Consolidate</b>	<b>Consolidate</b>		
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>FINANCIAL ASSETS</b>				
Cash and receivables	16,366,134	19,227,755	15,121,524	18,175,389
	<u>16,366,134</u>	<u>19,227,755</u>	<u>15,121,524</u>	<u>18,175,389</u>
<b>FINANCIAL LIABILITIES</b>				
Financial liabilities measured at amortised cost	(1,413,071)	(1,517,772)	(1,058,420)	(1,128,221)
	<u>(1,413,071)</u>	<u>(1,517,772)</u>	<u>(1,058,420)</u>	<u>(1,128,221)</u>

Financial assets measured at amortised cost comprise cash and cash equivalents, trade debtors and other receivables.

Financial liabilities measured at amortised cost comprise trade and other creditors.

# AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023

19 The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.  
Company

	Carrying amount 2023 US\$	Carrying amount 2022 US\$
Agridrive Nigeria Limited	2,777	2,777
QBS Seeds Company Limited	9,779	9,779
ECOBasic Seeds Company Limited	24,163	24,163
	<u>36,719</u>	<u>36,719</u>

The above amount relates to share capital held by AATF in QBS (US\$ 9,779), Agridrive (US\$ 2,777) and ECOBasic Seeds Company (US\$ 24,163).

Summarised consolidated statement of financial position as at 31 December.

	Qualibasic Seed Company Limited		Agridrive Nigeria Limited		ECOBASIC Seeds Company Ltd		Total	
	2023 US\$	2022 US\$	2023 US\$	2022 US\$	2023 US\$	2022 US\$	2023 US\$	2022 US\$
<b>Assets</b>								
Non-current assets	1,093,171	1,151,853	283,400	695,022	332,682	366,991	1,709,253	2,213,866
Current assets	1,637,779	2,065,352	125,076	93,961	446,441	187,020	2,209,296	2,346,333
Total Assets	<u>2,730,950</u>	<u>3,217,205</u>	<u>408,476</u>	<u>788,983</u>	<u>779,123</u>	<u>554,011</u>	<u>3,918,549</u>	<u>4,560,199</u>
<b>Liabilities</b>								
Non-current liabilities	689,946	221,712	708,741	634,824	68,574	22,653	1,467,261	879,189
Current liabilities	213,756	218,109	181,570	259,360	672,111	719,825	1,067,437	1,197,294
Total liabilities	<u>903,702</u>	<u>439,821</u>	<u>890,311</u>	<u>894,184</u>	<u>740,685</u>	<u>742,478</u>	<u>2,534,698</u>	<u>2,076,483</u>
<b>Total net asset (liabilities)</b>	<u><b>1,827,248</b></u>	<u><b>2,777,384</b></u>	<u><b>(481,835)</b></u>	<u><b>(105,201)</b></u>	<u><b>38,438</b></u>	<u><b>(188,467)</b></u>	<u><b>1,383,851</b></u>	<u><b>2,483,716</b></u>

Carrying amount of non-controlling interest	71	796	0	0	0	0	71	796
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Summarised statement of profit or loss and other comprehensive income for the year ended 31 December

	Qualibasic Seed Company Limited		Agridrive Nigeria Limited		ECOBASIC Seeds Company Ltd		Total	
	2023 US\$	2022 US\$	2023 US\$	2022 US\$	2023 US\$	2022 US\$	2023 US\$	2022 US\$
Revenue	1,396,165	717,812	361,219	325,902	22,654	1,551	1,780,038	1,045,265
Other income and expenses	-	247,075	24,622	(700,605)	919,594	241	944,215	(453,289)
Profit / loss before tax	(398,723)	964,887	(606,283)	(374,703)	290,010	1,792	(714,996)	591,976
Tax expense	(39,807)	28,998	0	0	(99,112)	(32,678)	(138,919)	(3,680)
(Loss) / profit after tax	(438,530)	993,885	(606,283)	(374,703)	190,898	(30,886)	(853,915)	588,296
Other comprehensive	(125,856)	929,809	0	0		0	(125,856)	929,809
<b>Total profit / loss</b>	<u><b>(564,386)</b></u>	<u><b>1,923,694</b></u>	<u><b>(606,283)</b></u>	<u><b>(374,703)</b></u>	<u><b>190,898</b></u>	<u><b>(30,886)</b></u>	<u><b>(979,771)</b></u>	<u><b>1,518,105</b></u>

# AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023

### Summarised statement of cash flows for the year ended 31 December

	Qualibasic Seed Company Limited		Agridrive Nigeria Limited		ECObasic Seeds Company Ltd		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	
Cashflows from operating activities	194,791	1,498,753	(292,096)	(67,412)	444,998	(611,678)	347,692	819,663
Cashflows from investing activities	27,022	(387,416)	(13,044)	14,037	(332,330)	(338,145)	(318,352)	(711,524)
Cashflows from financing activities	64,788	(867,368)	312,872	65,639	83,228	977,819	460,889	176,090
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>286,601</b>	<b>243,969</b>	<b>7,732</b>	<b>12,264</b>	<b>195,896</b>	<b>27,996</b>	<b>490,230</b>	<b>284,229</b>

### Subsidiaries with material non-controlling interests

The following information is provided for subsidiaries with non-controlling interests which are material to the reporting company. The summarised financial information is provided prior to intercompany eliminations.

Subsidiary	% Ownership interest held by non-controlling interest	
	2023	2022
Agridrive Limited	1%	1%
Qualibasic Seed Company Limited	1%	1%
Ecobasic Seed Company Limited	0%	0%

**AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

**20 GRANTS TO SUBGRANTEES**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>COWPEA</b>				
INERA - Burkina Faso	108,137	82,637	108,137	82,637
IAR - Zaria, Nigeria	131,079	0	131,079	0
CSIRO - Australia	113,500	200,066	113,500	200,066
CSIR - SARI, Ghana	87,991	124,223	87,991	124,223
MSU, USA	56,000	84,000	56,000	84,000
Donald Danforth	324,670	0	324,670	0
NASC, Nigeria	17,985	0	17,985	0
NAERLS, Nigeria	27,665	105,456	27,665	105,456
IITA	30,000	0	30,000	0
Eco Basic	0	0	80,000	0
<b>Total COWPEA</b>	<b>897,027</b>	<b>596,382</b>	<b>977,027</b>	<b>596,382</b>
<b>SEEDS2B</b>				
DARS	0	3,858	0	3,858
<b>Total SEEDS2B</b>	<b>0</b>	<b>3,858</b>	<b>0</b>	<b>3,858</b>
<b>POTATO</b>				
CIP, Kenya	0	0	0	0
<b>Total POTATO</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>OFAB</b>				
OFAB Kenya, ISAAA	150,000	150,000	150,000	150,000
OFAB Nigeria, NABDA	200,000	200,000	200,000	200,000
OFAB Tanzania, COSTECH	0	75,000	0	75,000
OFAB Ethiopia, EIAR	75,000	0	75,000	0
OFAB Burkina Faso, INERA	120,000	60,000	120,000	60,000
OFAB Ghana, CSIR	100,000	100,000	100,000	100,000
EIAR, Ethiopia	107,887	150,000	107,887	150,000
NCSTFDA Mali	50,000	25,000	50,000	25,000
RAB, Rwanda	100,000	50,000	100,000	50,000
KUBICO	324,925	74,925	324,925	74,925
IIAM	69,823	50,000	69,823	50,000
CREAF Buk	0	60,000	0	60,000
UNCST, Uganda	0	(12,500)	0	(12,500)
<b>Total OFAB</b>	<b>1,297,635</b>	<b>982,425</b>	<b>1,297,635</b>	<b>982,425</b>

**AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023**

**20 GRANTS TO SUBGRANTEES (CONTINUED)**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>TELA</b>				
KALRO, Kenya	0	98,936	0	98,936
CIMMYT, Colombia	538,463	508,561	538,463	508,561
IIAM	151,447	67,794	151,447	67,794
IAR NIGERIA	3,450	190,091	3,450	190,091
Bayer, USA	625,000	0	625,000	0
EIAR, Ethiopia	118,798	156,860	118,798	156,860
Ecobasic	0	0	53,882	0
<b>Total TELA</b>	<b>1,437,158</b>	<b>1,022,242</b>	<b>1,491,040</b>	<b>1,022,242</b>
<b>IPND</b>				
CRI, Ghana	0	2,000	0	2,000
NCRI, Nigeria	0	37,840	0	37,840
NaCRRI, Uganda	0	6,786	0	6,786
D. Danford	0	(18,435)	0	(18,435)
<b>Total IPND</b>	<b>0</b>	<b>28,191</b>	<b>0</b>	<b>28,191</b>
IITA, Nigeria	50,000	50,000	50,000	50,000
<b>QBS</b>				
QBS Company Kenya	0	0	200,000	450,000
QBS from AATF to QBS	0	0	902,670	1,210,275
<b>Total QBS</b>	<b>0</b>	<b>0</b>	<b>1,102,670</b>	<b>1,660,275</b>
<b>Total Sub-grants</b>	<b>3,681,820</b>	<b>2,633,098</b>	<b>4,918,372</b>	<b>4,343,373</b>

# AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023

### 21 POST BALANCE SHEET EVENTS

There are no post-balance sheet events to be reported in the current reporting period.

### 22 DEFERRED GRANT

Deferred income relates to income granted by BMGF through the Foundation to fund activities of its subsidiary and also by CYMT, QBS Kenya Ltd. The grant is recognised as grant income when expenses relating to it have been incurred. The amount in deferred grant relates to the portion of funds sub-granted but not yet expended as at 31 December 2023. Deferred grant related to Foundation is offset against receivable from subsidiaries. The reported balance is balance related to CYMT that does not relate to

	Group		Charity	
	2023	2022	2023	2022
	US\$	US\$	US\$	US\$
Opening balance	0	628,302	0	0
Grant disbursed	1,406,789	450,000	0	0
Expenses incurred against the	(703,390)	(1,066,886)	0	0
Assets purchased from the grant	0	(11,416)	0	0
Exchange differences	302,003	0	0	0
Offset - amount receivable from shareholder	(635,166)	0	0	0
	<b>370,236</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 23 INVENTORIES

Inventory items are made up of the following:

	Group		Charity	
	2023	2022	2023	2022
	US\$	US\$	US\$	US\$
Packaging materials	13,012	32,714	0	0
Hybrid maize	87,748	34,067	0	0
Inventory - fertilisers	4,429	14,008	0	0
Inventory - herbicides	2,388	6,072	0	0
Inventory - insecticides	0	681	0	0
Inventory other (chemicals)	646,663	953,069	0	0
	<b>754,240</b>	<b>1,040,611</b>	<b>0</b>	<b>0</b>

### 24 RELATED PARTIES

Related party balances

Receivables - Related parties

	Group		Charity	
	2023	2022	2023	2022
	US\$	US\$	US\$	US\$
Agridrive Nigeria Limited	0	0	155,033	189,721
Qualibasic Seed Company	0	0	36,389	24,353
ECOBASICSEEDS	0	0	19,025	9,400
	<b>0</b>	<b>0</b>	<b>210,447</b>	<b>223,474</b>



# AFRICAN AGRICULTURAL TECHNOLOGY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2023

### 25 RELATED PARTIES

Loans to group companies

	Group		Charity	
	2023	2022	2023	2022
	US\$	US\$	US\$	US\$
Agridrive Nigeria Limited	0	0	1,327,542	1,179,702
Provision	0	0	(481,835)	0
	<u>0</u>	<u>0</u>	<u>845,707</u>	<u>1,179,702</u>

Related party transactions

Payments to (by) related parties (including sub-grants disbursed / (owing)) – refer to Note 20.

	Group		Charity	
	2023	2022	2023	2022
	US\$	US\$	US\$	US\$
Agridrive Nigeria Limited	0	0	0	234,291
Qualibasic Seed Company Limited	0	0	200,000	450,000
ECOBASIC Seeds	0	0	1,036,552	1,210,275
	<u>0</u>	<u>0</u>	<u>1,236,552</u>	<u>1,894,566</u>