

2SCALE *Incubating inclusive agribusiness in Africa*

The 2SCALE program **incubates and accelerates inclusive business through partnerships** with companies (mainly African SMEs) and professional farmer producer organizations that want to build commercially viable strategies in African food industries through:

- 1) sustainable sourcing, based on mutually beneficial relations with smallholder farmers, and
- 2) by serving local and regional Base-of-the-Pyramid (BoP) markets.

These companies and PO's are seen as the drivers of inclusive business; they are called inclusive business champions.



With this approach, in the coming years 2SCALE aims to be a flagship program for the Netherlands' food security policy and one of the leading catalysts of inclusive agribusiness in Africa. Overall the program will:

- 1) Promote competitiveness of, and inclusive and sustainable growth in, the agricultural and food sector in Africa.
- 2) Reduce existing hunger and malnutrition and improve access to nutritious food for Base-of-the-Pyramid consumers.
- 3) Empower young entrepreneurs and businesswomen in private sector development, local and regional sourcing, processing, marketing and trade, and in creating jobs.
- 4) Create productive and sustainable food systems by strengthening smallholder farmers' capacity in eco-efficient production.

Goals for the second phase of 2SCALE

The main goals for the second phase of 2SCALE (2019-2023) are to

- 1) Improve access to nutritious food in 40 BoP markets, and for at least 1 million BoP consumers, through inclusion in value chains and local end markets.
- 2) Empower, improve productivity and net incomes of 750,000 farmers (50% women, 40% youth) through inclusion in agribusiness clusters and (regional) value chains.
- 3) Ensure adoption of eco-efficient production practices on 375,000 ha.
- 4) Support 250 small- and medium sized enterprises (SMEs, of which at least 125 female-led) to improve their inclusive business activities
- 5) Strengthen capacity of 5,000 MSMEs (of which at least 2,500 female-headed and 1,000 young entrepreneurs) through inclusion in value chains.
- 6) Create 20,000 additional non-farming jobs (of which at least 10,000 for women and 8,000 for youth).
- 7) Support the adoption of 50 innovations in non-farming segments of target value chain systems
- 8) Improve access to financial services for 250,000 smallholder farmers, 2,000 MSMEs and 125 SMEs. The target total value of additional financial services equals € 50 million.
- 9) Develop a portfolio of 60 partnerships, successfully implementing inclusive business models along target agri-food value chains.
- 10) Mobilize € 50 million of co-investment in catalyzing inclusive business, from private sector partners
- 11) Strengthen advocacy & lobbying capacity for policy improvement, resulting in 12 demonstrable contributions to sustainable & inclusive sub-sector transformation.
- 12) Develop new knowledge on the partnership and business models that bring transformative change and inclusive business to scale and ensure linkages with relevant African and Dutch knowledge platforms.

This second phase of 2SCALE builds upon the successes of the first phase. The 2SCALE program started in June 2012, and over time has developed as one of the largest incubators of inclusive agribusiness in sub-Saharan Africa. Between June 2012 and December 2018, the program developed a portfolio of 52 partnerships in target agri-food sectors and industries, reaching over 600.000 farmers and leveraging around €50 million in private sector contributions.

The second phase of 2SCALE will be implemented in 6 priority countries which are Ethiopia, Kenya, Nigeria, Niger, Mali and Burkina Faso. Also 2SCALE activities will be continued in Ivory Coast and Ghana, but with a specific focus on trade from these countries to the neighbouring Sahelian region. Also, in 2019 a feasibility mission will be undertaken to see if there is sufficient ground to also develop 2SCALE activities in South Sudan.



The key focal sectors for the second phase will continue to be the same as the first phase and they are:



Animal protein



Staple crops



Fresh produce



Soy and oil seeds

The sector focus of the different country portfolio's will strongly depend on the business champions that will be identified.

In comparison to the 2SCALE consortium in 2018 (IFDC & BoPInc) SNV has been added to the consortium. Next to this, PrC will continue its role as strategic partner for the consortium. One of the main reasons for SNV involvement in the second phase of 2SCALE, is the wish to have a stronger focus on sectoral transformation, moving the impact of 2SCALE from individual partnership to sectors as a whole. Next to sector transformation other (existing) crosscutting themes for the second phase of 2SCALE will be eco-efficient production, access to finance, women entrepreneurship and youth inclusion.