
# Partnering for inclusive growth, the 2SCALE approach

Photo: Joris Maatman | GUTS Agro Likie women, Ethiopia

*Arno Maatman*

## KEY MESSAGE

Public-Private Partnerships (PPPs) are not static, but change over time. They may clearly start as grassroots-led or firm-led but evolve into new, or more complex, multi-layered partnerships to scale successes and address new challenges.

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## Introduction

There is a growing number of companies and entrepreneurs aspiring to make a difference in Africa either by sourcing locally, or by offering affordable quality products to low-income communities. 2SCALE calls these companies and entrepreneurs 'inclusive business champions'. An inclusive business is a commercially viable business that involves low-income communities, i.e. smallholder farmers and base of the pyramid (BoP) consumers in a way that benefits them[1].

Inclusive business champions face many challenges: they often have difficulties sourcing sufficiently large volumes; are competing in uncertain, often unfair, competitive playing fields with limited resources; they can only afford to go so far to realize their inclusive intentions; and, they may be confronted with resistance, even within their own organizations. 2SCALE's objective is to support the realization of sustainable inclusive businesses which become inspirational examples for other entrepreneurs, civil society and public agents to follow in their footsteps. Through demonstrating successful inclusive business partnerships, 2SCALE hopes to trigger institutional changes in favor of fairer competitive playing fields and inclusive growth.

[1] Adapted from, but still in line with the definition of the World Business Council for Sustainable Development, cited in Jenkins and Ishikawa, 2010, who 1st coined the term of inclusive business.

This paper discusses the manner in which 2SCALE operates. It shows that partnerships are a means to an end, i.e. the development of business models that promote inclusiveness, have a (new) competitive edge, and the potential for scaling. Hence, partnerships come and go and those that continue to exist evolve from grassroots or firm-led PPPs into more complex, multi-layered partnerships in order to deepen and scale inclusive growth and address new challenges.

## Partnership models

2SCALE facilitates PPPs to promote inclusiveness in agricultural value chains. These value chains are often complex networks involving many actors, including support services providing access to agro-inputs, finance and other services. A partnership may begin with the inclusive business champion (a private company or commercial cooperative) as the private partner, and 2SCALE as the 'manager' of public development funds. However, gradually, partnerships will often involve other relevant private and public stakeholders but the inclusive business champion remains the 'driver' of the partnership.

**Grassroots PPP** – the inclusive business champion is a grassroots organization (cooperative, rural small- or medium-scale enterprise) which aims to strengthen market access by developing new marketing strategies or distribution channels to serve existing and new consumer segments, with a keen eye for the BoP market. 2SCALE's role usually includes support to seek new market partners, optimize production processes and facilitate improved access to relevant services.

**Lead firm PPP** – the inclusive business champion is a medium- or large-scale enterprise, which focuses on improving the supply to – or sourcing from – smallholder farmers. In lead-firm PPPs, 2SCALE's initial role typically involves support to realize stronger business relations between grassroots actors and the lead firm.

## Partnership dynamics

All 2SCALE partnerships have evolved over time in response to emerging needs and opportunities. However, what generally remains constant is the central role for the inclusive business champion. Typically, partnerships progressively become more diverse. This is particularly true for lead-firm partnerships, with representatives of smallholder farmers and other agribusiness cluster actors gradually becoming part of the governance structure. Some PPPs develop into hybrids of grassroots and lead-firm PPPs, i.e. with multiple inclusive business champions at different segments of the value chain. However, in other partnerships, because of new challenges or new opportunities in developing inclusive value chains, new champions emerge and become the actual driver of a PPP.

## BOX 1 | EXAMPLES OF GRASSROOTS AND LEAD FIRM PPPS

- **Soybean in Benin: this partnership is part of a much longer and broader history of interventions. In the '90s and early '00s, several development programs (including some managed by IFDC) were focusing on soybean as a rotational crop mainly to improve soil fertility; the soybeans themselves found their way into the animal feed industry. However, gradually, soybeans became attractive as a food product and as a substitute for more expensive meat products. Before 2SCALE, IFDC linked up with a Beninese company, which processed soybeans into flour products and sold these products on the regional market. 2SCALE, however, decided to partner with local (women) processor groups so the partnership is considered a grassroots PPP. From the start, this soybean PPP was driven by BoP market opportunities, with key interventions addressing the quality and marketing of soy-based products (kebabs, *goussi*, milk, cheese). (Shimeles et al., 2017).**

- **Sorghum in Kenya: this partnership started with Shalem, a medium-scale aggregator and trader, approaching 2SCALE staff for assistance. Shalem was working in a relatively large region through a network of local agents to collect sorghum which was sold to East African Breweries. This partnership is considered a lead-firm PPP as initial interventions were designed to improve productivity and resilience of sorghum farming systems, to develop Shalem's business strategy and financial capacity, and to bolster the efficiency of the supply chain system.**

## BOX 2 | EVOLUTION FROM A GRASSROOTS TO A HYBRID PARTNERSHIP MODEL

**Soybean, Ghana**

The soybean partnership in Ghana started with producer groups in the lead. However, the focus has since shifted to the processing segment and includes local (women) soybean processors and Yedent (a medium-scale enterprise) processing soybeans into animal feed. At the time of partnership negotiations, Yedent was also interested to produce soy-based consumer goods. Since then, Yedent has not only started to produce soy-based products, it is also establishing a facility to train local processors.

## BOX 3 | EVOLUTION FROM A LEAD-FIRM TO A HYBRID PARTNERSHIP MODEL

**Potato, Kenya**

Agrico is an established seed potato producer and trader with headquarters in the Netherlands. The 2SCALE partnership started with Agrico, which had just obtained a license to import seed potatoes of its commercial varieties. 2SCALE raised awareness of the benefit of using good quality seed through demos, and provided training on sustainable intensification of production and growing of quality potatoes for targeted markets. However, problems arose when a large number of trained farmers could not access Agrico's seed potatoes. So when the next batch of seed potatoes did not pass the certification body, 2SCALE decided to broaden its scope to include multiple seed houses and supply systems, and to focus more on producer groups and firms – both small (e.g. Molly Flowers) and large (e.g. Kevian) – to co-invest in inclusive potato value chains.

## BOX 4 | ADJUSTMENTS OF THE PARTNERSHIP MODEL BECAUSE OF CHALLENGES

**Citrus fruit, Ghana**

When the lead firm in the partnership, Fruittiland, was experiencing severe (financial) challenges to such an extent that it even had to temporarily close its factory, the 2SCALE program approached and included another citrus processor, Pinora, into the partnership. As a result, the citrus growers could still sell their quality fruits at a remunerative price through Pinora to Fair Trade Original, the European buyer who also entered the PPP.

**Sorghum, Uganda**

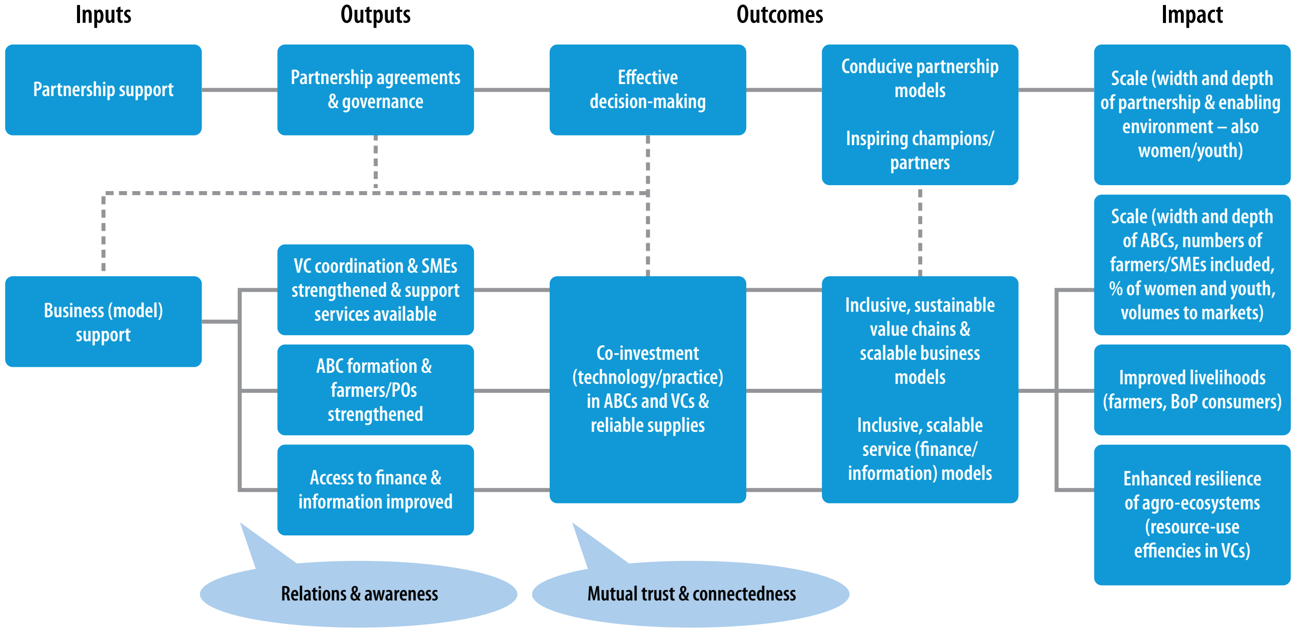
The partnership with Shalem in Kenya inspired the 2SCALE team in Uganda to move from a focus on Nile Breweries as the lead firm to targeted intermediate aggregators and traders, who collected the sorghum for the breweries and were more directly involved in developing inclusive relations with smallholder farmers.

## BOX 5 | ADJUSTMENTS OF THE PARTNERSHIP MODEL BECAUSE OF SUCCESS

**Vegetables, West Africa**

The partnership with East West Seed International (EWIT) focused on creating demand for its quality vegetable seeds, and related inputs/technologies. With increasing productivity, as a result of quality seed use and associated good farming practices, the 2SCALE program is developing partnerships directly with vegetable producer groups to develop new marketing channels. In Nigeria, negotiations have started with SPAR supermarkets to source vegetables locally through the agribusiness clusters formed with the support of 2SCALE.

**FIGURE 1 | SCHEMATIC REPRESENTATION OF 2SCALE'S MAJOR IMPACT PATHWAYS**




## 2SCALE approach

PPPs are not an end in themselves, they are a vehicle to incubate and accelerate inclusive business. It is important to make a distinction between the PPP (including its governance structure) and the business model, or business models, in target value chain(s) (Figure 1).

The PPP is a temporary arrangement. At the partnership level, decisions are made about the priority interventions, co-investments, results monitoring and risk mitigation measures needed to accelerate inclusive business development. By building partnerships, 2SCALE offers a platform to develop firm-level business models and value chain arrangements that effectively integrate smallholder farmers and BoP consumers.

However, the business model is of a lasting nature, and focuses on the business relations between value chain actors. 2SCALE's role is to facilitate, through the temporary PPP, the development of sustainable inclusive business relations.

2SCALE offers no blueprint solutions but supports partnerships which develop their own tailored solutions in order to take advantage of market opportunities, with the objective to realize benefits for the largest possible number of grassroots beneficiaries. The partnership's focus may be on solving a variety of challenges, including production at the farm-level; financial arrangements; supply chain logistics and related contractual arrangements; marketing and distribution strategies; market development, etc.

Interventions will also change over time addressing one critical bottleneck first before tackling others. Trust and connectedness within the partnership also evolves and deepens by working together, thereby progressively enabling more complex joint interventions. 2SCALE provides a partnership facilitator who plays a critical role to propose and facilitate agreement between partners on realistic priorities and sequencing of key interventions.

The PPP aims to develop innovative business models that make the VC inclusive, while maintaining or even improving competitiveness. To develop these business models, we focus on three areas in particular:

### 1 Facilitate agribusiness clusters

Much emphasis is often placed on contractual arrangements as the key element in developing more inclusive value chains. Contractual arrangements (formal or informal) between smallholder farmers and a good-willing off-taker are important but are not enough to realize sustainable inclusive business relations. It also requires the empowerment of smallholder farmers, and addressing financial and information asymmetries in the value chain. This is where agribusiness clusters come in. 2SCALE sees agribusiness clusters as localized networks that empower farmers to autonomously: access good-quality agro-inputs; access relevant services by themselves; solve (new) problems (i.e. to innovate); and bargain with services providers and buyers (e.g. by reducing information asymmetries).

The agribusiness cluster typically involves smallholder farmers, input-dealers, microfinance institutions, enterprises offering farm services (e.g. for tractor-services, crop protection, post-harvest handling), extension and business support services, and any other relevant actor, as long as they are within close proximity to each other, and connected directly or indirectly to the same value chain. 2SCALE aims to ensure that farmers are well aware of their own competitive environment. Farmers need to know of promising alternative outlets for their produce, have the freedom and ability to serve different clients when they wish to do so, and possess the capacity to negotiate fair trade terms with their off-takers, including 2SCALE lead partners.

**2 Facilitating innovative inclusive value chain relations**

The first pillar of 2SCALE is to facilitate inclusive value chain relations. The basis for inclusive business lies in lasting agreements between economic actors to trade produce against terms which offer a fair reward for the efforts made. However, building fair trade relations is not enough. To assure a lasting business relationship, value chain actors need to build trust such that they can jointly overcome challenges and seek for continuous innovation in their relationship and their role in the value chain.

**3 Support enabling environments, in particular access to finance and information.**

Professionals in value chain development will generally agree that, in addition to direct buying and selling arrangements of inputs and agricultural produce, support functions such as financial services and advisory services also need to be considered. 2SCALE makes specific effort in its PPPs to mobilize financial and other organizations to get involved and develop tailored services to address the needs of the specific value chain as effective support services contribute to the durability of inclusive value chain relations.

Joris Maatman | Promo Fruits Benin

## Tailored action needed

### BOX 6 | EXAMPLES OF THE THREE FOCUS AREAS IN 2SCALE PPPS

| | |
|---|---|
| 1 Soybean value chain development, Benin | The PPP around soybean in Benin aimed to develop alternative market outlets for soybean. It focussed on: 1) building a strong agribusiness cluster, involving producers, local processors and support services; 2) value chain innovation - new commercial products were developed and popularized, such as soy-based kebabs, soya goussi and soy-milk. Marketing strategies for these products, including consumer awareness creation were implemented. The 2SCALE team strengthened the women processors' capacity to apply hygienic/efficient processing techniques, as well as strengthening financial literacy, business planning and distribution/ retailing; and, 3) improved service provision - smallholder farmers were assisted through better access to quality seed, bio-stimulants (inoculants), and other inputs/services to collect and store produce and to liaise – as a group – with off-takers. |
| 2 Dairy value chain development, Kenya | The dairy PPP in Kenya started while Eldoville, the lead partner, was busy relocating their factory to Oljororok in Nyandarua County. Its new factory would be in close proximity to its farmers and have a much larger capacity. The PPP focussed on: (1) building a functioning network of dairy actors, including feed and fodder producers, milk producers, transporters, processor, research and agricultural extension; (2) strengthening supply chain relationships from fodder seed production and marketing up to marketing of dairy products to consumers. Importantly, this included innovative supply systems offering possibilities to pay premium-prices for better quality milk. New products for the BoP market were also piloted; and, (3) access to advisory services on fodder production and feeding strategies which improve milk production, as well as access to credit based on individual milk delivery track records. |
| 3 Pineapple chain development, Benin | Promo Fruits is a pineapple trading and processing company owned by the farmer cooperative IRA. The PPP led by Promo Fruits works on scaling its business by: 1) expanding its stakeholder platform by involving more producer organisations as suppliers and local SMEs through the organisation of exchange visits and awareness raising campaigns; 2) product development (pineapple juice for BoP consumers), and last-mile distribution through young start-up micro- entrepreneurs selling the pineapple juice from push-carts; and, 3) professionalization and intensification of the Promo Fruits extension and training program to farmers to improve productivity and access to agro-inputs. |

## Results

Between 2012 till 2017, 2SCALE has implemented over **50 partnerships**: eight in animal production (mainly dairy), 12 in oilseeds (soybean in particular), 16 in staple crops, and 17 in vegetables and fresh produce. Major results include:

- **600,000 smallholder farmers** have benefitted from the interventions; almost 40% are women. Farmers have benefitted in various ways including: receiving training on improved (agronomic) practices and financial literacy; improved access to better seeds and other related agro-inputs; and enhanced access to farm services (e.g. for tractor-services, crop protection, post-harvest handling). In addition, their capacity for co-innovation to access informational and financial services, and their bargaining power will have improved. Last, but not least, they will have been able to negotiate longer-term informal/formal contracts with reliable aggregators/buyers in target value chains.

- **3,000 SMEs** – with about half being commercial farmer cooperatives or producer groups – have been supported to participate in inclusive value chains, mainly targeting local markets. They have been supported to develop innovative business strategies and investment plans and many of them have taken up new activities (e.g. in storage, processing, trade, and value chain support services). About 30% of the SMEs are female-headed.

- **Private sector contributions** to the PPPs from the lead partners and grassroot actors has been more than €50 million.

- **28 BoP pilots** have been implemented; all include one or several of the following elements:
  **1** improvement of consumer understanding and market targeting by producers and processors;
  **2** development of novel nutritious products, packaging, and designing marketing strategies; and,
  **3** identification of innovative, cost-efficient distribution channels.

  Pilot initiatives design, introduce and test a new idea (product, distribution/marketing strategy) to see if they are feasible and commercially viable. All the private partners will have been consulted to discuss and evaluate the pilots, i.e. to decide on the way forward, including rolling out and scaling strategies of major components/results.

- **225 coaches from over 100 business support service providers** have been strengthened and mentored and have completed capacity strengthening plans to support local networking and grassroots' empowerment. Specific issues addressed include: collective action, competition/competitive playing fields, business relationships, loyalty, budgeting, business planning, financing of business plans and applying for loans, negotiation and contract development, loyalty and entrepreneurial relations, understanding markets/market prospection, marketing and product development, producer organizations and organizational strategy. Plans will have been implemented through so-called 'learning cycles', which include at least the following stages: (1) understanding/planning; (2) doing (coaching/mentoring)/piloting; and, (3) review and reflection. In 2016 alone, 60 learning cycles were executed directly involving over 9,000 agribusiness cluster actors.

- **Innovative new technical solutions have been promoted in all four major commodity groups** (dairy/animal production-based; oilseeds; staples; and vegetables/fresh produce) and in almost all partnerships from innovations in farming practices to innovations in agricultural services and post-harvest handling. Technical innovations always require organizational/institutional adjustments, e.g. to access seeds, agro-inputs and services, and to align investments of input/service suppliers and smallholder farmers. Several tools to communicate and share experiences among smallholder farmers and other grassroots actors have been used including meetings/exchange visits, radio, video and road shows, mobile phone messages, and 'talking books', simple audio devices used to facilitate discussion and cross-group learning. Talking books contain pre-recorded messages but also allow for recording of additional discussion; they are used as a tool by field facilitators.

- **40 financial institutions** have been linked to the various value chains; some of them have a seat in the partnership governance structure. Financial services are geared to smallholder farmers and SMEs. In 2016, the total amount of credit mobilized equaled about €14 million and, in 2017, a similar amount is expected.

- **Gender** has been effectively mainstreamed in the program; the majority of partnerships will have been reviewed to specifically identify gender related challenges and opportunities for empowerment. All partnership facilitators have been supported by a gender coach. Experiences and lessons have been documented in a thematic paper (Terrillon and Vogelsperger, 2017).

However, the 2SCALE results go beyond these quantitative targets. Managing directors of inclusive business champions are taking up leadership roles in innovation and sector/industry platforms to advocate for fairer competitive playing fields, and for more or better targeted public investment in inclusive innovation. Some of the 2SCALE partnerships have become inspiring examples for public and private sectors to follow suit. Prototypes of inclusive business models have been developed ready for replication and/or scaling up. And, last but not least, transformative capacities have been built with individuals and within organizations which have been partners in the 2SCALE programme.

## Lessons learned

**Partnership governance and organizational agendas for inclusiveness:** The commitment to realize true inclusive business varies among firms and is hard to assess at the onset of a partnership. 2SCALE aims to only partner with companies that are interested to develop long-term relations with smallholder farmers and BoP consumers, and to co-design and develop inclusive business models. However, the engagement level of the partnering firm does not always turn out to be sufficient, and relations between firms and smallholder producers are often limited to local sourcing/supply chain departments and not with the top management. The

Joris Maatman | Potato harvest, Kenya

level of buy-in from higher management is not always certain, and the engagement level sometimes changes because of events over which 2SCALE has little control (e.g. market/price trends, management changes, strategic decisions in national or overseas' board rooms).

**Embedding of business support services:** On its own 2SCALE cannot, and should not want to, reach out to 500,000 SMEs. Agribusiness coaches play a crucial role in setting-up, supporting and coaching agribusiness clusters. These agribusiness coaches are either staff members of lead companies, commercial cooperatives, or contracted by them from local consulting firms, NGOs, or public extension. The agribusiness coaches are not just 'multipliers' of the 2SCALE team. They are entities on their own offering their own expertise and, for the sustainability of the program, it is critical that most of these services are maintained after the 2SCALE program is finished. To assure this, the costs of the agribusiness coaches needs to be factored into the price structure of the value chain.

**BoP marketing pilots, distribution and follow-up:** As part of the 2SCALE program, BoP pilots have been initiated, which focused on offering healthy quality food products to BoP consumers in a profitable manner. This is relatively new 'ground' and involves dealing with questions like: 1) How to hand-over a BoP pilot? Who to involve and how, and with what kind of information? and, 2) How to support scaling of BoP marketing once handed-over to the private partner(s)? BoP pilots are, in essence, a proof-of-concept; they aim to show the potential viability of a new marketing channel, and/or new product destined for a BoP market. However, the integration of BoP marketing in the organization of a lead firm may still not be that obvious and partners sometimes, although in the lead, appear reluctant to take over full responsibility. Besides the specific product marketing side of the pilot, several distribution models have been piloted in partnerships, like the ones with GUTS Agro in Ethiopia and Promo Fruits in Benin, involving local micro-entrepreneurs as distributors. Pilot results have shown that there is a need to get more grip on the business model for these type of micro-entrepreneur-driven last mile distribution systems.

**Access to finance:** 2SCALE has, from 2015, increased its emphasis on access to finance. Demand for financial services was assessed and inventories made of financial services available. Consecutively, meetings were held with banks, many MoUs developed, and smallholder producers and SME partners were asked to submit business and investment plans. Despite successes, in particular in financing agro-inputs, the results in terms of innovative financing schemes and capital for SME investment plans are still limited. Financial institutions, especially foreign banks and international investors, are still extremely reluctant to engage in the agricultural sector in Africa, despite quality propositions, guarantees of technical support (through 2SCALE), and off-take contracts (for the farmers involved).

**Grassroots PPP provides more market freedom, a lead firm PPP more market security.** A difference between grassroots and lead-firm PPPs lies in the delicate act of navigating business interests. In grassroots PPPs there is, in principle, only one single concern: that of the smallholder farmers. The single overarching objective is to optimize smallholder farmer profit in a sustainable manner. Farmers can buy agro-inputs from any available source and can sell their produce in any way, and through any channel they want, as long as it serves this objective. Contrastingly, in lead-firm PPPs, there are the objectives of both smallholder farmers (profit maximization and market assurance) and a lead firm to consider. The lead firm aims to secure supply of produce from farmers (or sale of inputs to farmers) and maximize profit. The partnership by the smallholder farmers with a lead firm reduces their flexibility in choosing alternative channels for inputs supply and produce marketing. This reduction in freedom of choice by farmers in a lead firm PPP compared to a grassroots PPP must be offset by the advantage of a sure/stable market and service provision through the lead-firm. The optimal inclusive business model could well have elements of both a grassroots PPP and a lead firm PPP. Grassroots PPPs would benefit, and become stronger, when at least part of the agricultural output produced is channeled through a well-coordinated, assured value chain. Lead-firm PPPs can benefit from allowing grassroot actors a greater degree of freedom and flexibility rather than seeking to be the unique off-taker of the farmers they are engaged with.

**Lead firm PPPs offer greater opportunity for transformational change.** Lead-firm PPPs seem to offer more opportunity for 'transformational change', actually innovating the value chain radically, rather than only incrementally. One reason for this may be that lead firms can commit higher levels of co-investment; another reason may be that lead firms have more knowledge about industry and market opportunities and have access to a larger (regional) network to identify and pilot new solutions. The dairy partnership with Friesland Campina Wamco in Nigeria, labeled as the Dairy Development Program, provides a good example (Box 7). However, this does not necessarily mean that lead-firm PPPs reach a larger scale in terms of numbers of farmers included, jobs created, or volumes supplied to local (BoP) markets.

## BOX 7 | THE CASE OF FC WAMCO

Friesland Campina WAMCO (FC WAMCO) is Friesland Campina's operating company in Nigeria. FC WAMCO is producer of the Peak brand (milk powder, evaporated milk), which are well-known in Nigeria. However, the raw materials (milk powder) are mainly imported although FC WAMCO aims to source locally. In 2012, a PPP with FC WAMCO as the lead firm was established under the 2SCALE program. Key activities included:

- Identification of locations from which to source milk and mobilization of (mainly Fulani) communities;
- Establishment of milk collection centers (MCCs);
- Facilitation of community meetings, on requirements to produce and deliver milk to the MCCs (volume, quality and timing);
- Training of women Fulani herders on animal health, feeding, and product hygiene;
- Support to Fulani women and young Fulani men to transport milk (on motor-bikes) to the MCCs;
- Design and piloting of transparent payment systems and establishment of (group) bank accounts;
- Networking to improve access to veterinary and other services;
- Development and maintenance of feeder roads, pastures and dams (to improve access to water);
- Support to Fulani women to develop cooperative societies and start 'dairy farms' with selected milking cows separated from the rest of the herd (just started).

FC Wamco has invested over €8 million to establish and equip the MCCs and to develop relations with the Fulani communities. This development is transforming the lives of the Fulani communities. The MCCs have developed into hubs of economic activity. The women, albeit still producing their local cheese (*wara*), and some of the young men (transporting the milk) are cautiously proposing changes to herd management and ranging practices. This is, in the Fulani society based on transhumance, and led by the elders, a major development, and an important step in facing the challenges they face to maintain their traditional lifestyle. These changes go well beyond the income derived from the dairy value chain. However, despite these important signals for transformational impact, only about 2,000 Fulani farmers (women) are supplying milk to the MCCs.

**Grassroots PPPs are better drivers of scaling of success.**
Grassroots PPPs offer better chances of inclusion of diverse farmers and opportunities to reach scale in terms of larger numbers of households and a higher volume of bulk produce marketed. The reason being that the inclusion of smallholder farmers in lead-firm PPPs is limited by demand for locally sourced produce and average volumes that each farmer can supply. The lead firm has no economic interest in seeking opportunity for marketing more farmer produce than its own immediate need. Nor does the lead firm usually have specific interest in including ever larger number of smallholder producers. On the contrary, for lead firms, it is more advantageous to increase volume produced by the farmers already in the partnership, as this reduces the opportunity costs of sourcing. Without this being a deliberate choice, there is a soft pressure, as a result of business realities, to limit the number of producers lead firms source from.

This is different in grassroots PPPs, as these are supply driven, and the collective objective of the actors in the agribusiness clusters is to increase the volume marketed. At the agribusiness cluster level, there is both an economically and socially-driven objective to increase volumes marketed per household, as well as the number of benefitting households.

## Conclusions

2SCALE has traveled a bumpy road. The program was designed to build on earlier experiences in inclusive business development, realize larger scale impact, and to take advantage of BoP market opportunities. It was challenging to build the right team to; effectively identify the next generation of inclusive business champions in Africa; negotiate partnership agreements based on realistic expectations, co-investment and on working together; develop business models that empower and balance inclusiveness and competitiveness; and align with the agendas of the different Netherlands Embassies.

Nonetheless, the 2SCALE program has succeeded in developing into a recognized, effective incubator for inclusive business, nurturing commercially-viable and sustainable businesses that pro-actively integrate smallholders, input providers, local processors, financial institutions and other service providers into their business models. Some of the unique aspects of the 2SCALE program today include:

- Ability to identify lead partners, mainly African but also some Dutch, with serious inclusive business intentions;
- A focus on championship and ownership by a growing number of agribusinesses;
- Experience with and proven capacity in strengthening leadership commitment to invest and facilitate the internalization of the principles of inclusive business in private enterprises;
- An explicit focus on PPPs and partnership governance arrangements as platforms to drive co-investment, innovation and to identify intervention priorities;
- Focus on local – and BoP – markets and dedication to develop accessible, affordable, and available food products for low-income consumers;
- Commitment to 'grassroots' empowerment through financial literacy/business skills by strengthening local-level value-addition (local SMEs) and by building local networks (agribusiness clusters) linking farmers to SMEs, informational and other services, to reduce their dependency on just one market opportunity (value chain);
- Ability to identify and target women and youth in agribusiness clusters and value chains and to strengthen their business skills.

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Joris Maatman | Farmer group training on silaging dairy feed, Kenya

Joris Maatman | Harvesting Chili pepper, Ghana

This paper is part of a series in which 2SCALE facilitators and coordinators share their experiences. Contributors: Abalo Adodo, Grégoire Oniankitan Agai, Mathias Ahounou, Geneviève Audet-Bélanger, Tekalgn Ayano, Judith Chabari, Assefa Degefu, François Dossouhoui, Peter Gildemacher, Olugbenga Stephen Idowu, Alhassan Issahaku, Peter Kirimi, Eric Lakoussan, Arnoldus Maatman, Janet Macharia, Douglas Magaja, Jacqueline Ndambuki, David Njenga, Irene Njogu, Francis Nthuku, Thompson Ogunsanmi, Gabriel Olengo, Kwame Pipim, Hiwot Shimeles, Faoussa Tadjou, Addis Teshome, Baba Togola, Mahamane Toure, Youssouf Traore, Niek van Dijk, Ajay Varadachary, Raphael Vogelsperger, Allan Wayira and Bertus Wennink.

2SCALE manages public-private partnerships (PPPs) for inclusive agri-business in Africa. Partnership agreements are developed with companies with inclusive business agendas. 2SCALE offers support services to companies, farmer groups and other relevant stakeholders – enabling them to produce, transform and supply quality food products to local, national and regional markets, including Base of the Pyramid consumers. 2SCALE strengthens the capacity of grassroots and value chain actors, supports innovation and coordinated action, and improves skills to assure effective participation in markets. The focus countries of the programme are Benin, Ethiopia, Ghana, Ivory Coast, Kenya, Mali, Mozambique, Nigeria and Uganda.

Contact: avaradachary@ifdc.org

www.2scale.org

Design: Anita Simons, www.symsign.nl