

Year Four Narrative Progress Overview

FY 2022: January 1st - December 31st 2022



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Abbreviations and acronyms

2SCALE	Toward Sustainable Clusters in Agribusiness through Learning in Entrepreneurship	R&E	Reflect and End
AAP	Annual Action Plan	RSM	Rotterdam School of Management (Erasmus University)
ABC	Agribusiness Cluster	S3C	Sub-Sector Systems Change
AfDB	African Development Bank	SACCO	Savings and Credit Cooperative
BoP	Base of the Pyramid	SMEs	Small and medium enterprises
BMC	Business model canvas	SW	Strategic Workstream
BSS	Business support service	USAID	U.S. Agency for International Development
DGIS	Directorate-General for International Cooperation	VSLA	Village savings and loan association
IAA	Inclusive Agribusiness Advisor	WUR	Wageningen University & Research
IDS	Institute for Development Studies		
IFDC	International Fertilizer Development Center		
ISFM	Integrated soil fertility management		
LIS	Light Intensity Support		
M&E	Monitoring and evaluation		
MoFA	Ministry of Foreign Affairs (the Netherlands)		
MoU	Memorandum of Understanding		
MSMEs	Micro, small, and medium enterprises		
PMT	Program Management Team		
PPP	Public-private partnership		
PrC	Partnership Resources Centre		
R&A	Reflect and Adapt		
R&C	Reflect and Consolidate		

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1. Preface



1.1 Executive summary

In 2022 the Russia-Ukraine war induced high inflation rates and food costs, leading to a major worldwide food crisis, with Africa being the hardest hit. Political instability and insecurity remained a challenge in Mali, Niger, Burkina Faso, Ethiopia, and Nigeria. The 2SCALE consortium strengthened their security policies and monitored the security situation in all countries continuously so that staff were not exposed to danger. However, the COVID-19 pandemic had less impact on our work in the field, as team members could travel easily.

Due to this world reality, our business champions could not invest in both value chain up and down streams, smallholder farmers and base of pyramid. As program implementors, we had to be adaptive with regards to our PPPs management. In some cases, the inclusive business idea had to be readopted, in other cases the lead business champion was changed. These changes were made through a careful and well documented assessment led by the country teams and the program management team. Additional adoptive measures were taken in response to the post conflict situations in South Sudan.

Despite these challenges, the Program implementation was much more intensive than in previous years. As a result, noteworthy results were achieved. Targets set for 2022 were met for all Universal Impact Indicators (UIIs). Even one of the pilot countries, South Sudan, was able to register results in terms of these indicators. Because of the high prices of essential agricultural inputs, such as fertilizer, business champions could not take out significant loans as expected. Despite the difficulties, most of them remained committed to their business ideas. Others sought new partners to invest in their public-private partnerships (PPPs). It is worth noting that the new reality of doing business has also led to a high demand for quality locally processed products. Thanks to the PPPs maturation, the relationship between the business champions and smallholder farmers was enhanced. As a result of this, business champions were able to meet their consumers' demand due to a consistent supply of good quality raw materials in quantity. Most of our business actors observed an increase in their turnover. This reveals how the 2SCALE approach effectively contributed to strengthening local agribusiness value chains and actors for sustainable food security in Africa.

As the program is getting close to meeting all the targets in terms of Universal impact indicators, the team is encouraged to consolidate the impacts and to harvest the stories behind the numbers. The stories will provide insights on the 2SCALE approach's

impact on the agribusiness actors we engage with. The collection of these stories will be a major focus in 2023 and 2024 as an integral part of our internal evaluation and the upcoming Impact Assessment Study of the program.

The program developed a rich and diversified portfolios of PPPs in different value chains initiated by Business Champions that have different size. The program considers the PPPs as a means to the end (achieving impacts under the 8 UIIs) and hence having these diversified PPPs will help in achieving the different target as different product groups and different size of business champions offer different opportunities. For Example, we have learned that PPPs in the animal-based product groups contribute significantly (53%) for the target in relation to improving the BoP consumers access to food. While the staples are by far the most important product groups for SHFs empowerment and promoting Eco-Efficient production practices. While the analysis of the result (as at the end of 2022) against the size of the business championed had revealed that PPPs led by large (in size) business champions are more suitable to contribute for BoP target, non-farm employment creation and MSME empowerment. However, PPPs lead by Medium and Small sized Business champions are best suited for empowering SHFs.

As an integral part of our activities consolidation and strengthening, 2SCALE seeks synergy with existing initiatives at national, regional and international level. For this purpose country teams were encouraged to engage with stakeholders for the strengthening and sustainability of program activities in the various countries. Collaboration with CARE was intensified, thanks to the country-focused Memorandums of Understanding (MoUs) that were signed in Mali, Niger, Burkina Faso, and Ethiopia. A USAID buy in program was secured to strengthen soil fertility related activities within 2SCALE PPPs in Niger. The program also collaborated with institutions such as the African Development Bank (AfDB) to support business champions with access to finance. In 2023 and 2024, we expect to get more results of these partnerships.

2SCALE reached its 10-year anniversary in 2022. This was celebrated with a large event took place in Nairobi, with a focus on the anglophone countries. At the same time, six focus countries organized replication events at the national level. To promote the 2SCALE brand, colleagues attended numerous international conferences and events in Europe and Africa related to inclusive agribusiness.



This year also registered a few human resources challenges. With the uncertainty of a program extension or award of a new phase, many contracts were terminated at the end of 2022. Some colleagues decided to leave even before that. At the leadership level, the program was managed by Addis Teshome, Deputy Program Director, during the medical and parental leave of Marina Diboma, Program Director. The combination of both roles in one person was quite challenging. Nevertheless, with the support of the Supervisory Board Chair, Henk van Duijn, and the Program Management Team (PMT), program implementation continued

without problem. Continuous engagement with our focal person, Jeroen Rijniers, led to the approval of a top-up budget, which will allow program work to be consolidated in a sustainable manner.

On a positive note, the program launched and implemented its very first Global Youth Mentorship Program, which helped empower young colleagues. A second cohort will be launched and implemented in 2023. Given the financial constraints, a full team retreat was not possible, but country team reflection days took place with at least one PMT member participating.

1.2 Structure of the Report

Chapter 2 presents the achievements, UII results, recommendations based on these results, and the challenges and actions taken at program and country level in 2022. Chapter 3 outlines the program activities by strategic workstream. It presents the foundation that 2SCALE Phase 2 established during its fourth year of implementation and a detailed overview of achieved versus planned activities (and deliverables), organized by strategic workstream, complemented by support activities (action research, monitoring and evaluation (M&E), knowledge management, communication, and finance). The annexes provide additional information related to specific activities. Annex 1 describes the total PPP portfolio of partnerships at the end of 2022 and beginning of 2023 can be used for reference independent of the Annual Report. The annexes from 2 to 9 provide more details about activities in the following thematic areas: base of the pyramid (BoP), private sector development, gender equity and women's economic empowerment, youth inclusion, agribusiness cluster (ABC) formation, loyalty and supply chain coordination, inclusive green innovation, and financial inclusion.

2. Program Overview



2.1 Implementation Strategy

Adaptive management

Programs like 2SCALE that operates in a dynamic environment needs to have a clear and simple decision-making mechanism in response to marketing signals and macro and micro level trends affecting inclusion (both terms of inclusion of SHFs and terms of access to BoP consumers) and extent of the PPP actors competitiveness in the target market. The program over the years had developed the instruments/systems to embrace adaptive management of PPPs as an inherent element of the program. Adaptive management under 2SCALE principles can be viewed from two layers:

Adaptive management at PPP level: PPPs are set up based on an inclusive business idea of a business champion. The first step in the planning process/making decisions in the PPP set up/ is the Diagnostics and Design (D&D) process. This will allow to validate the business idea, develop impact pathways and identifying key intervention that contributes to both inclusiveness and competitiveness. After implementing the agreed interventions (for a maximum of 12 months), the Reflect and Adapt (R&A) process will help in validating the impact pathways, assessing the effectiveness of the interventions and measure the level of tension and risk within the PPP. This process will help in sharpening the next 12-month implementation strategy. This process will continue for 2 to 3 years depending on the life span of the PPP. Then Review and Consolidate (R&C) process help the PPP actors to measure the extent of the PPP maturity against the four key partnering capabilities (deliberative, alignment, fitting and transformative) as a measure of the sustainability of the relationship among actors and the competitiveness of the business model. The R&C process will identify the LIS activities for the PPP. All these processes in the life cycle of the PPP allows the actors to be flexible enough to make decisions in their best common interest.

Adaptive management of PPP portfolios: A three step portfolio analysis was carried out. First, all active PPPs were assessed against critical parameters - *Potential and performance of the PPP, commitment of the business champion , potential for sustainability of the PPP after 2SCALE and Level of inclusion of the PPP* . At the second stage a portfolio analysis at country level was developed. From these two analyses, the PPPs were categorized into different groups and country teams clearly defined the potential of the PPP if 2SCALE further invest additional resources. These bottom-up analysis were complimented by a third portfolio analysis at the program level. The program wide portfolio analysis was necessary to ensure that the program keep its philosophy and re-assure the program is well aligned with the strategic direction of DGIS. This process helped in developing a realistic target for the program.





2.1.1 Achievements

In 2022, the pandemic had less impact on the implementation of program activities. The 2SCALE program activities took place at a large scale in all focus countries. Full implementation of our activities was possible despite the security concerns in most countries. This led to numerous achievements (UII achievements are explained in Section 2.1.2)

10-year anniversary celebration and replication events: In 2022, 2SCALE celebrated its 10-year anniversary with an event in Nairobi in June. This provided an excellent opportunity to explore the program's impact in anglophone countries. Subsequently, six 2SCALE countries organized national anniversary and replication events. During these events, the 2SCALE model was demonstrated to both public, private, and development institutions. The ABC approach was showcased with field implementation results, networks and partnerships were built, and BoP products were exhibited. A second large anniversary event will be held in Mali in December 2023 for the 2SCALE francophone countries.

Top-Up: In the second phase of 2SCALE, 12 more partnerships than originally planned were formed due to a high number of inclusive business ideas, involvement of more countries, and the COVID-19 pandemic, which had slowed the progress of the PPPs. As a result, the program pursued a funded extension to ensure that this second phase of 2SCALE delivers higher outputs while accomplishing more outcomes than were initially designed. This will close the funding gap caused by a necessary pivot in 2021 to respond to the pandemic. In addition, 2SCALE will have the time and resources to capture lessons learned, program impacts, and innovation successes to inform future programming. In September 2022, 2SCALE received a cost extension of €12.5 million to support program work to deliver higher impact.

Global Youth Mentorship Program: 2SCALE is implemented in 10 countries, with many young staff who started their careers with the program. Most of them have expressed an interest in being mentored by a senior colleague. As a result, the Global Youth Mentorship Program debuted in May 2022, with 22 pairs of mentors from consortium and partner organizations and mentees under 35 years old from 2SCALE staff. With a development plan, mentees shared their objectives and spent time with their mentors to discuss goal attainment. In support of cohort learning, master classes on topics such as leadership, interpersonal communication, mentorship style, and constructive feedback were hosted by outside experts and coaches. An online closeout event will be held in 2023.

MoUs: As the program draws closer to its conclusion, part of the exit strategy is to partner with like-minded programs and organizations to ensure sustainability. There is a great benefit in partnering with programs that work in the same value chains or thematic areas. As an example, the program signed an MoU with CARE about village savings and loan associations (VSLAs), and country teams for both organizations have connected and started working together. Another MoU with PUM gives 2SCALE actors access to seasoned professionals in areas such as food processing, operations, and finance at little to no cost.

Exit Strategy: The program saw the first exits from PPPs in 2022. With support from iCRA, an exit guide was developed for the country teams to ensure a smooth transition to light-intensity support. As recommended in the Mid-Term Review, 2SCALE should not hasten to disengage from PPPs, and therefore, light-intensity support became crucial. The cooking oil PPP in Ethiopia was one of the first to transition successfully to light-intensity support.

Extended Management Meetings: A large program like 2SCALE requires elaborate planning and constant communication for success. In 2022, the PMT introduced Extended Management Team meetings to be held four times a year (two in-person and two online). This group includes Country Team Leads, thematic coordinators, and the PMT. These meetings have been instrumental in streamlining in-country work and sharing knowledge. Thus, the program has been able to solve or mitigate challenges more quickly and transfer the knowledge to the various PPPs.

End-of-year reflections: 2022 was a heavy implementation year for the program, with some of the first exits from PPPs. Therefore, country teams met to reflect on their portfolios and exit plans for each PPP. Each country successfully held a reflection workshop and some invited actors in the value chains that they work with. These reflections helped the teams to plan appropriately for the remaining PPPs, focusing on sustainability beyond the life of the program.

2.1.2 Results related to the UIIs in 2022

In 2022, the principal global challenge was the war between Russia and Ukraine. The conflict has had a major impact on energy and food markets, the costs of which have risen dramatically. This has affected the ability of small-scale producers to access quality inputs, such as fertilizer, which has tripled in cost in some production areas. It has also led to an unforeseen shortage of food products imported from Russia and Ukraine to African countries, including 2SCALE intervention countries. This situation puts a strain on vulnerable communities, particularly smallholder farmers, low-income consumers, known as the base of the Pyramid (BoP), and micro-entrepreneurs in 2SCALE intervention areas. This context was critical, because it provided an opportunity for local businesses in the food production system. They were able to operate for a time in a business environment with less competition from imported food products, which created internal demand for food products for the benefit of local small and medium enterprises (SMEs), smallholder farmers, and micro-entrepreneurs. Local BoP consumers and processing SMEs preferred to rely on local offers of agricultural and food products, as they had few alternative options to Ukrainian and Russian exports.

Given the business environment, in 2022 2SCALE enabled 1,464,864 BoP consumers¹ to access affordable food products from companies involved in 40 inclusive agribusiness partnerships. This represents an achievement rate of 97.7% of the target for the end of 2023 as well as the target for the extension period in 2024. The growth rate of BoP consumers impacted by 2SCALE of 63.7% over the 2021-2022 period was like that of the 2020-2021 period, which was 121%, with almost the same number of inclusive agribusiness partnerships (41). The program promoted market activation, which was combined with marketing communication and promotion, food products upgrading with a focus on quality, hygiene, small size for packages designed on attractive manner, expanding distribution networks and market channels, promotion of online trading, and contribution to development by the partners of local brands for food products. These interventions, out of many others in the specific context of PPP led to high level of consumption of food products by local BoP consumers. In addition, These growth rates confirm the maturity of the inclusive business ideas that have led to food satisfaction among BoP consumers. They also show the ability of companies involved in the agribusiness partnerships to be more resilient to shocks, such as COVID-19 and the Russia-Ukraine conflict. Thus, the 2SCALE approach has had a positive influence on the resilience of inclusive companies operating in the food and nutrition system in the presence of shocks that have badly affected the economy.

Figure 1: UII1 - BoP results per year against number of partnerships contributing

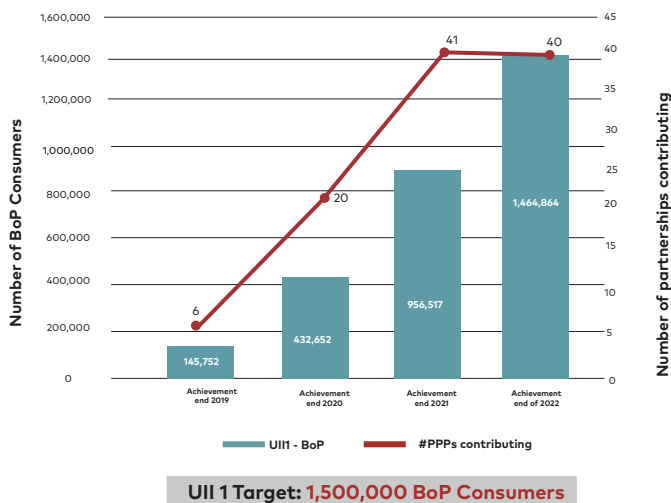
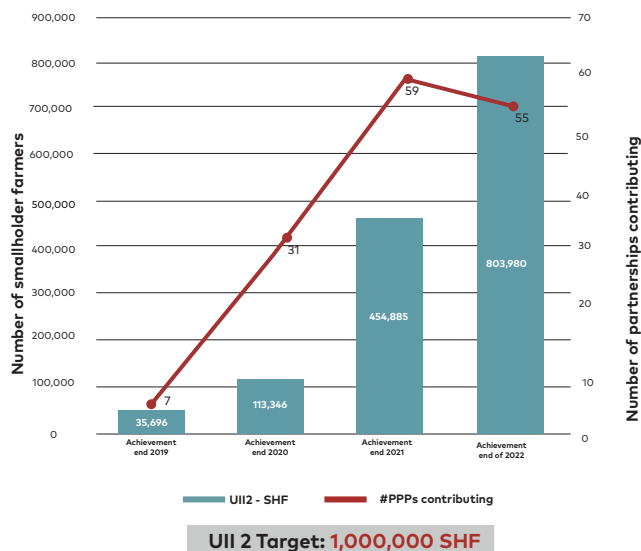


Figure 2: UII2 - SHF results per year against number of partnerships contributing

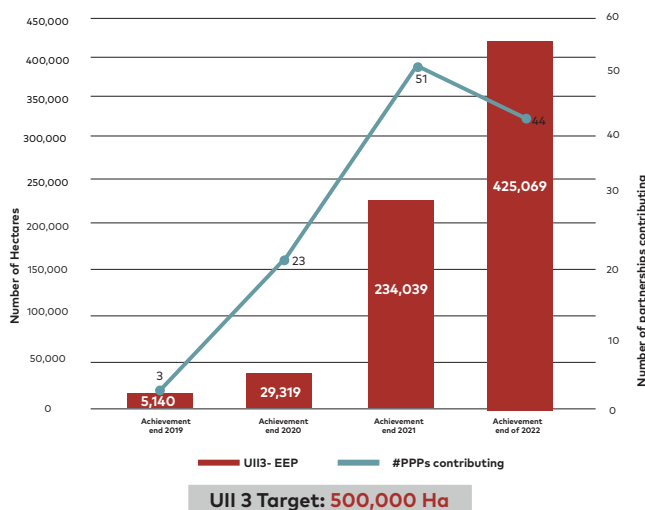


1. The volumes (in tons) of the product(s) (that the partnership focuses on) commercially sold. (Where tons is not applicable, the M&E information system will convert the actual unit of measurement - e.g. liters - to tonnage), then translated to individual consumption.

2SCALE has empowered 803,980 smallholder farmers² who have improved their productivity and access to the market. This represents an achievement rate of 107.2% of the target for the end of 2023 and 80.4% of the target for the 2024 extension period. The number of inclusive agribusiness partnerships contributing was 55, an achievement rate of 43.4%. 2SCALE supported these farmers to be part of agribusiness clusters and facilitated empowerment of producer groups, which are capacitated to improve production skills of their members. A network of agribusiness coaches supported by business support services, consultants and 2SCALE country team played technical advisory roles to smallholder farmers. Digital solutions to provide extension services and payments to SMFs motivated many of them to join ABCs. ABC actors worked also on access to quality inputs such as seeds fertilizers, and pesticides.

As in the case of BoP consumers, the maturity of the inclusive business ideas is confirmed by the ability of the companies in the partnerships to maintain an upward trend in terms of facilitating smallholder producers' inputs and production practices for better productivity and output and facilitating market access for vulnerable communities, led by smallholder producers. The shocks have not been able to disrupt the commercial relationships between value chain actors in the inclusive agribusiness partnerships. Rather, the partners have turned these into business opportunities. The maturity of the partners around the four partnering capacities promoted by 2SCALE has potentially played a role in the resilience to shocks and the ability of private sector enterprises to take advantage of business opportunities in a timely manner, thus facilitating the inclusion of vulnerable communities in the food and nutrition system.

Figure 3: UII3 - EEP results per year against number of partnerships contributing



Although the number of agribusiness partnerships contributing decreased from 51 in 2021 to 44 in 2022, the area on which climate-smart agriculture (CSA) practices took place was estimated at 425,069 hectares³ (ha). This is an achievement rate of 113.4% of the 2023 target and 85% of the 2024 extension period target. As in previous cases, the shock period saw the growth rates in CSA adoption rise above 81.6% for the period 2021-2022, with a slight decline in CSA adoption to a rate of 698.2% for the period 2020-2021. The program supported ABCs and key partners to access innovations and practices that led to soil health improvement and less pollution on the environment. It was the case of selecting specific crop varieties (such as Niger seeds in Ethiopia) that have positive effects on capacity of soil to resist to climate change. There was a promotion of locally made greenhouses that supported production of seedlings, and fodder (hydroponic in Nigeria) or introduction and use of organic fertilizers, composts, and equipment to fast track the transformation of organic materials to be accessible for plants. New commercial linkages created within the agribusiness partnerships that allow smallholder farmers to have more information on innovative CSA practices, the good results obtained by the first adopters of CSA practices, and the facilitation modalities created by 2SCALE explain the sustained pace of adoption. This strengthens the resilience of smallholder farmers who can protect their investments, respect their contractual commitments, and maintain their credibility with buyers.

2. Volume of produce sourced or aggregated by business champion or its commercial partners, and/or Volume of input commercially sold by the business champion or its commercial partners, then translated to individual farmers included in operation with BC or number of farmers linked to BC that qualify as smallholder farmers.

3 Number of farmers accessing services or procuring inputs related to eco-efficient or climate-smart practices. This can be measured by counting farmers transacting with service provider or by converting volumes of inputs sold to numbers of farmers applying, then translated to hectares.

Figure 4: UII4 - SME results per year against number of partnerships contributing

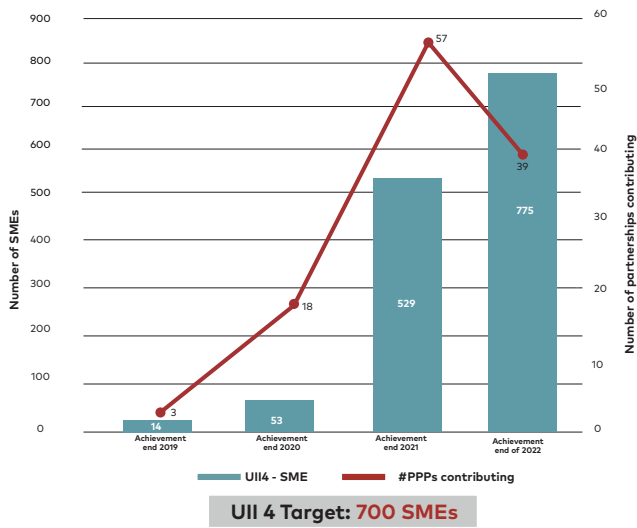
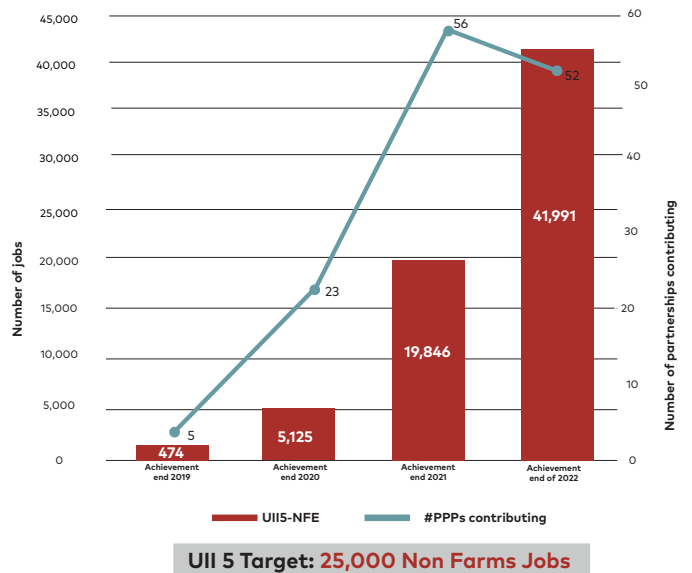


Figure 5: UII5- Non-farm employment results per year against number of partnerships contributing



To ensure the above results in the food and nutrition security system, in 2022 the 2SCALE program mobilized 775 inclusive SMEs, 246 more than the previous year, and 16,007 microenterprises in the agribusiness partnerships. Thus, the rate of achievement in the number of SMEs was 307.6% of the 2023 target and 109.9% of the 2024 extension period target. The rate of achievement for the number of microenterprises was 320.1% of the 2023 target and 106.7% of the 2024 extension target. The growth rate for SMEs over the 2021-2022 period was 42.7% compared to 898% over the 2020-21 period. For microenterprises, the growth rate varied from 65.7% in 2021-2022 to 158.9% in 2020-2021. Analysis of this data shows that private sector companies remain interested in and have embraced the principles of inclusion of vulnerable communities in their business model by adopting attitudes such as the private sector contribution to complement the resources provided by 2SCALE for its inclusion interventions.

Businesses have also increased the adoption of off-farm innovations since the start of the program to 195 innovations in 2022, representing 390% of the 2023 target and 112.7% of the 2024 extension period target. They also contributed to the creation of 41,991 new jobs, representing a 210% achievement rate against the 2023 target and a 168% achievement rate against the 2024 extension period target. This again confirms the willingness of the SMEs to improve the inclusiveness of their business models by working and/or creating enabling business conditions for vulnerable communities and value chain actors.

Figure 6: UII6 - MSME results per year against number of partnerships contributing

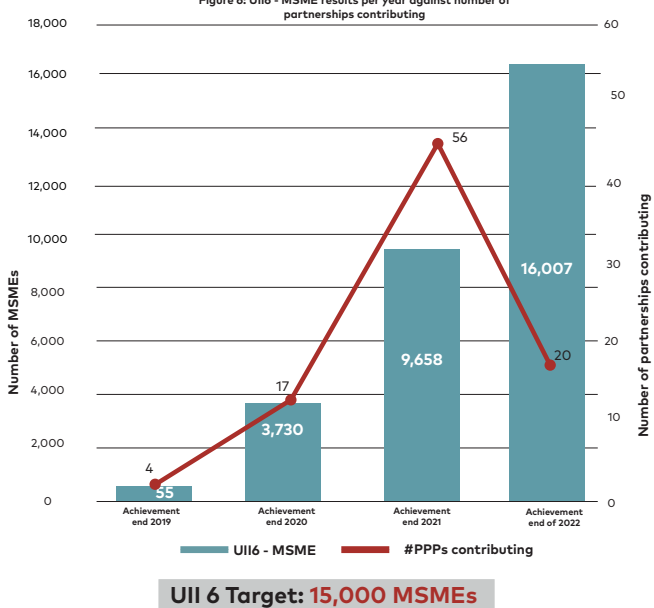


Figure 7: UII7 - Innovation results per year against number of partnerships contributing

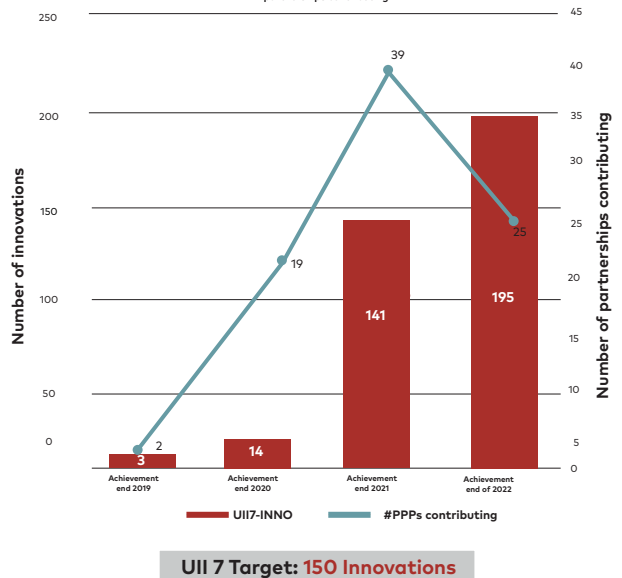


Figure 8: UII8 - Financial services results per year against number of partnerships contributing

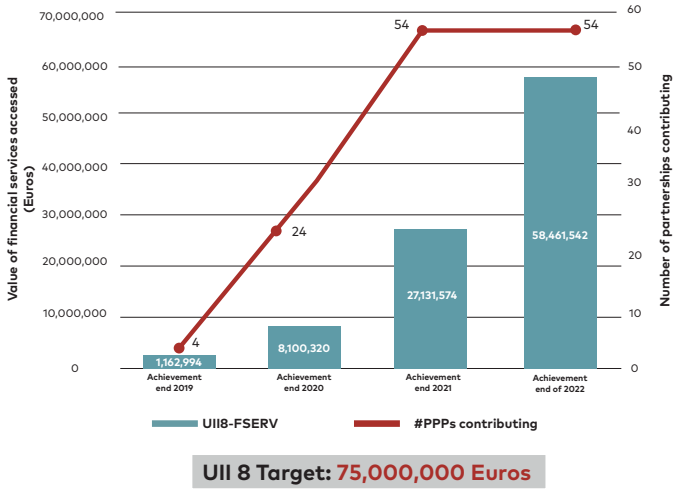


Figure 9: UII8 - FSERV # of Smallholder farmers accessing additional financial services against number of partnerships contributing

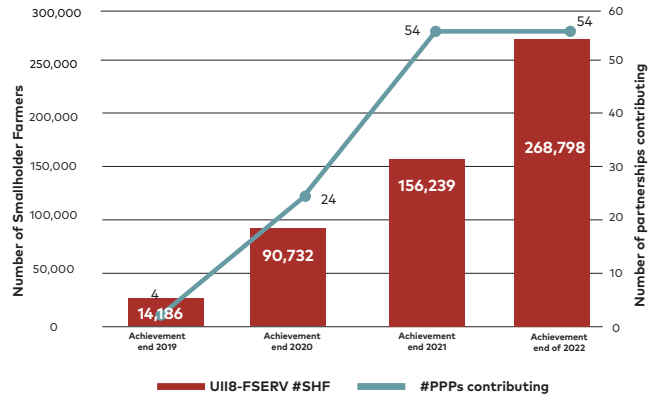


Figure 10: UII8 - FSERV # of MSME's accessing additional financial services against number of partnerships contributing

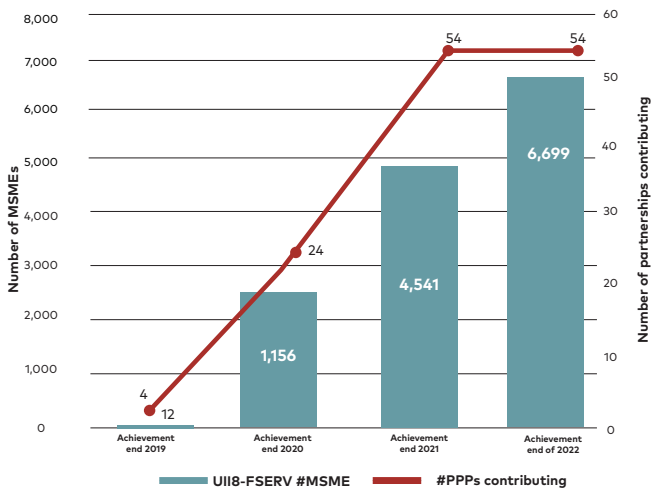
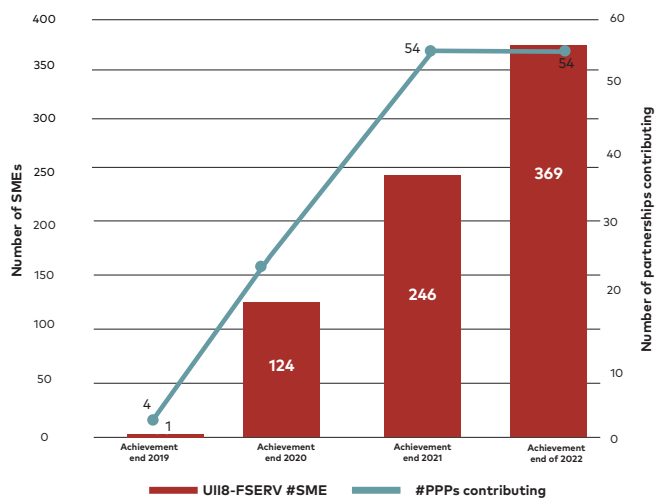


Figure 11: UII8 - SME's accessing additional financial services against number of partnerships contributing



Financial inclusion⁴ was also enhanced in 2022 with a total of 268,798 smallholder farmers (including 118,509 females) that had access to finance services. This is an achievement rate of 108% of the 2023 target and 71% of the 2024 extension period target. The number of microenterprises and SMEs that have mobilized finance is estimated to be 6,699 (including 3,588 females led) and 369 (including 145 females led), respectively, representing an achievement rate of 335% and 295% of the 2023 target and 223.3% and 196%, respectively, of the 2024 target. Through the influence of SMEs, microenterprises and smallholder farmers in vulnerable communities were able to access financial services, enabling them to mobilize €58,461,542 i.e., an achievement rate of 116% of the 2023 target and 77.9% of the 2024 extension period target. The program used an agreement signed with CARE INTERNATIONAL to strengthen the access to finance for SHFs in all target countries. In the same moment, formal links were established with commercial banks and/or local financial institutions like microfinance, SACCO, and credits were possible through chain financing mechanisms. Several financial literacy training modules were conducted and covered the VSLA model, financial management, group dynamics, savings and accessing finances, record keeping and risk management. In addition to this, co-creation responsibilities led by most businesses to prefinance SHFs for inputs or to allocate working capital to aggregators or other key value chain actors (most microenterprises). Digitization of financial services like mobile money and online banking, which helped to motivate SHFs with fast payment after delivery of farm produce.

2.1.3 Recommendations based on achievements and results in 2022

2022 marked the fourth year of program implementation. The UII results have been fully achieved (above 100%) for all Universal Impact Indicators (1 to 8) regarding the original targets. But when considering the achievement of the new targets for the extension period in 2024, the three UIIs (1, 2, and 3) related to the capacity of the 2SCALE program to contribute to food and nutrition security for vulnerable communities have reached an achievement rate of 80% or above. The eagerness of agribusinesses to improve their participation in inclusive agribusiness partnerships has led them to source for innovations and financially inclusive services, which helped the program to already achieve the 2024 targets for UIIs 4, 5, 6, and 7 at a rate of 100% or above. Only UII 8 has not yet fully completed at a rate of 77.9%. Therefore, during this last period of implementation, priority will be given to interventions that lead to achievement of the 2024 targets for UIIs 1, 2, 3, and 8, and the focus will be on sustaining impact while consolidating the activities in the different PPPs. The level of achievement could be a reason to consider the 2SCALE approach as:

•Shock resilience strategy

If resilience is the ability of a given system to overcome deviations caused by a disruptive element(s) to return to its original state and/or normal functioning, then the same analogy should be considered regarding the effects of the link between the use of the 2SCALE approach and the disruption to the local economy caused by the pandemic and the Russia-Ukraine conflict. Indeed, the private sector enterprises that have been involved in co-creating the inclusion of vulnerable communities in sustainable value chains, business champions, and their business partners have been more resilient and sometimes have improved their performance while facing shocks from COVID-19 and the Russia-Ukraine crisis, as well as the effects of climate change, political instability, and insecurity due to terrorist attacks. As indicated by the UII results for 2022, the capacity to perform well by companies operating in value chains supported by inclusive agribusiness partnerships remained intact. Often, resilient small-scale producers and microenterprises will go to great lengths to secure the basic, quality raw materials that make a commercially viable value chain. This has been observed in Burkina Faso, Côte d'Ivoire, Ethiopia, Ghana, Mali, Niger, the northern regions of Nigeria, and South Sudan. This ability to build resilience in businesses makes the 2SCALE approach a strategic solution to support the Netherlands Ministry of Foreign Affairs (MoFA) interventions in fragile countries.

•Means of transformation of the food and nutrition system

Considering the results achieved in 2022, many low-income, or BoP, consumers have access to affordable food. This can be explained by the foundation of the 2SCALE approach itself. First, the program promotes food products from local agriculture. It then facilitates the link between businesses and BoP consumers. This has allowed food production to truly meet the needs expressed by the BoP consumers who buy them. Second, the program has intervened in the structure of the business environment for enterprises involved in inclusive agribusiness partnerships to reduce imports of raw materials in favor of local sourcing and to offer more finished food products to local BoP consumers, at the expense of reducing, for the time being, the export of food products to other countries. Finally, the program has strengthened the capacity of micro-entrepreneurs to make food products more appealing, accessible, and affordable. This has led to the understanding that the 2SCALE approach can support the systemic transformation of the food and nutrition security system by directing it in part to serve local consumers.

⁴. The number of newly added clients in specified target groups (SHFs, micro-entrepreneurs and SMEs) making use of specified financial services with specified date when count was done.

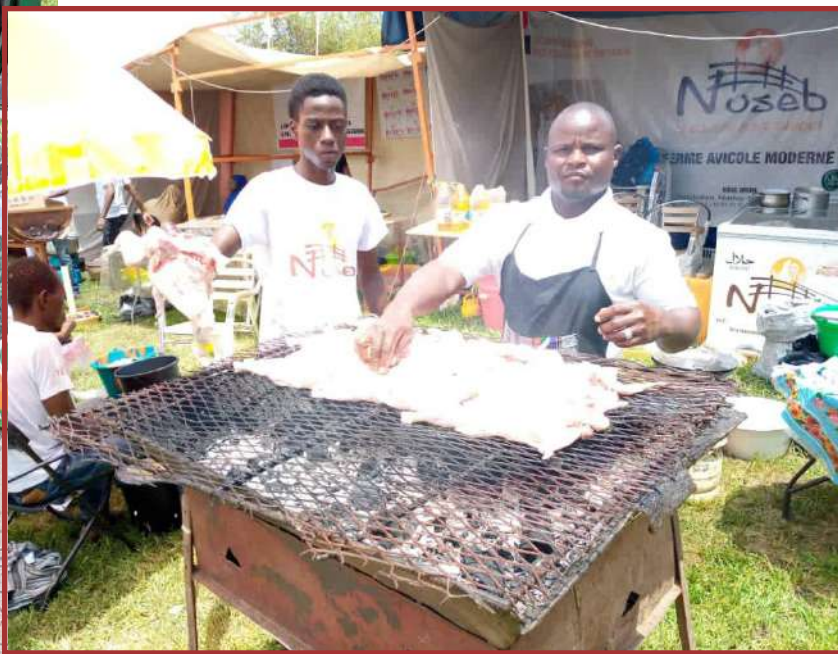
The following are some important aspects of the 2SCALE program:

New cohort of the Global Youth Mentorship Program: The 2SCALE program will introduce a second cohort of the Global Youth Mentorship Program. This cohort will be welcomed with improved sessions on top of regular exchanges between mentors and mentees. Preparatory workshops will be organized for mentors to discover their mentorship and leadership styles and for mentees to determine their career path and identify their strengths, skills, and aspirations.

Mentorship and knowledge sharing program: The experiences from the Global Youth Mentorship Program will inform a similar program focused on our partners – business support services (BSSs), business champions, and youth and women entrepreneurs and farmers. Key elements from these workshops will be repurposed into modules for business champions, BSSs, and partners to facilitate their leadership and mentorship of youth and women into their activities as their corporate social responsibility (CSR).

Informality in financial inclusion: Although the rate of financial inclusion has been growing, informality has been a distinguishing preference for many beneficiaries of PPPs in market systems facilitation targeting low-income persons to drive agribusiness inclusion. Thus, the push for evidence in financial data will potentially exclude people who prefer informal finance from participating in PPPs because they lack the systems to be able to collect financial data. As a result, a reporting template that can serve as evidence of the informal efforts of vulnerable actors was developed to attract financial services. This helps prevent limiting the focus to actors and persons who can provide the data. In doing so, the 2SCALE program has ensured that interventions can continue to target the people who need it most.

Exit strategy and light-intensity support: Although PPPs are already exiting the program in most of our focus countries, staff will be provided training by iCRA to ensure that our work is well consolidated, and actors are left empowered.



2.2 Challenges and actions taken

A year of implementation does not come without challenges. The challenges and actions taken, where possible, are detailed below.

Political instability and insecurity: Five out of the ten countries that 2SCALE operates in have experienced political instability and insecurity for some time and continue to do so: Burkina Faso, Ethiopia, Mali, Niger, and Nigeria. Armed conflict in northern Ethiopia, a coup in Mali, and kidnappings in Nigeria make up just a few of the incidents. This has created a situation that caused the program to close some of its partnerships. Furthermore, our Inclusive Agribusiness Advisors could not go to the field to implement or monitor activities. For example, the syndicate partnership on sorghum with Dansha Aurora and Setit Humera farmer cooperative unions were suspended due to political instability and war in the northern part of Ethiopia in Tigray.

Despite these challenges, the program has been able to achieve impact. There is little that can be done to change the situation, but creativity can provide some solutions. One of the MoUs 2SCALE signed during the year was with Lay Volunteers International Association (LIVA), which works with young returnees to Ethiopia. This allowed the Awash Olana partnership to work in areas where relative peace and security were prevalent. To this end, the prior focus districts have been changed by the business champion. However, engagements are made to be complementary in these overlapping districts where 2SCALE focuses on organized cooperatives.

Change in or inability of the business champion to invest in the business idea due to internal and external factors: During the year, several business champions were not able to meet the promised investments or their business idea changed. The effects of COVID-19 on the economy is still being felt, especially with the lack of rainfall for five seasons in countries like Kenya. Thus, some partnerships had to be closed. As an example, in Kenya, Prosoya soybean PPP could not manage to restructure its credit facility, which crippled operations. Businesses like NFL, Homerange, and Mhogo Foods had to review their business models and others opted to scale down or move to alternative products or services.

The East African Tiger Brands Industry (EATBI) maize PPP in Ethiopia was unable to upgrade its processing plant as initially planned. Although the partnership has significantly contributed to empowering smallholder farmers, creating economic opportunity for micro-entrepreneurs and employment for youth and women, and introducing green innovation in maize value chain, the BoP product the partnership intended to produce (i.e., a blended soy-maize food product) was not realized. In the end, the

decision was made to close this partnership.

In Burkina Faso, since the SIATOL partnership was established in 2019, it has had challenges financing equipment for a factory. Over the last year, the project has made some progress. The complete set of factory equipment has been acquired and transported to Burkina Faso. However, the equipment has not yet been installed because the company is facing cash flow difficulties due to the high cost of the equipment, among other reasons.

However, the news not all negative. In Ghana, the Vester Oil PPP faced challenges because the business champion was not investing in the value chain, which compromised impact. Fortunately, another actor in the value chain who is much more active and has the financial ability to invest in the value chain has been identified. Currently, steps to onboard are taking place so that the program can continue to create impact in that value chain.

Lack of inputs: While there have been varied levels of success in the partnerships, some have the persistent challenge of sourcing inputs. For example, in Kenya, seeds for the soybean and groundnut partnerships are scarce. The groundnut partnership has not managed to fully take off due to the unavailability of seed, despite the business champion showing a commitment to invest in farmer training and seed procurement. These two value chains have a wider challenge that can only be unlocked by regional and cross-border trade. Soy and groundnut are in high demand for food and feed but the supply from farmers in Kenya is highly limited, resulting in importation from across the eastern and southern Africa. 2SCALE's efforts in 2022 are slowly bearing fruit in the soybean and groundnut seed sectors through seed bulking in partnership with local seed companies and research institutions such as KALRO (soy, ENP) and Egerton University (groundnut, Batian Nuts).

In Mali, sourcing of mineral fertilizer is a challenge. 2SCALE has urged stakeholders to turn to the industrial organic fertilizers developed by Eléphant Vert, Mali Engrais, and other local companies, as the cost of sourcing these fertilizers is lower.

Investment readiness of business champions: One of the major challenges recognized while supporting SMEs and micro, small and medium enterprises (MSMEs) in the portfolio is the lack of or outdated business records. This has limited thriving SMEs and MSMEs from accessing credit and, in some instances, grants that would have positively impacted the growth of their businesses.

In the last quarter of 2021, the program supported

three business champions in Nigeria by co-investing in firm auditing and financial/investment plan development. NALMACO Nigeria Limited, Cato Foods, and Ladi & Lawani are champions leading the sorghum, cassava, and groundnut PPPs. The results from studies concluded in the first quarter of 2022 indicated several gaps, including leadership issues, lack of basic medium- to long-term strategic plans, poor business health, high transaction costs, and records that may not inspire outside investment either via credit or equity. 2SCALE support resulted in NALMACO Nigeria Limited investing in a new processing line, which has the capacity to process over 10,000 mt of maize into maize flour and grit. The line will cost over \$2 million to build and will be commissioned in the second quarter of 2023. Cato Foods and Ladi & Lawani used the report as a supporting document to negotiate a \$1 million credit facility from Sterling Bank in the last quarter of 2022.

High staff turnover: 2022 saw a high turnover in program staff. The top-up award came at a time when colleagues were unsure of the renewal of their contracts, which was not possible before confirmation. Additionally, some colleagues took advantage of opportunities in and outside the consortium organizations, which is a testament as to how well trained and experienced they had become through 2SCALE. On a positive note, this provided an opportunity for other colleagues to grow. During the year, the program contracted interns as part of its commitment to support youth career development. Many of the vacant positions were filled by the interns, and the Global Youth Mentorship Program supported colleagues to settle into their new roles.

The **2SCALE Academy** is a tool that was developed to ensure that the program maintains rich knowledge and experiences, even if colleagues decide to leave the program. This is in the last stages of development and the information collection has been completed and the academy will be launched in the first half of 2023.



3. Detailed report on 2022 activities and deliverables



The following sections provide an overview of the progress in 2SCALE activities planned for fiscal year 2022 (January 1-December 31, 2022). Realization is presented by strategic workstream, in line with the impact pathways defined at the program level and by support activities and cross-cutting functions that allow the 2SCALE program to be operational. The progress in each workstream and thematic areas is presented based on their respective Gantt chart key activities in the work plan 2022.

3.1 Strategic workstream 1 (SW 1): Partnerships for incubation

3.1.1 Brokering and building partnerships

In 2022, no new partnerships were initiated by 2SCALE. In 2021, 2SCALE closed the selection of new PPPs and pilots, with a total portfolio of 73 partnerships. At the start of 2022, 59 of the 73 PPPs were actively supported; 14 PPPs had been phased out or closed across various value chains and countries in 2019-2021. At the end of 2022, another nine PPPs were phased out as part of the 2SCALE exit strategy. In 2023, 2SCALE will continue to provide full support to 38 of the 50 remaining PPPs and will provide strategic support to an additional 12 PPPs from Phase 2 and 11 PPPs from Phase 1 through a carefully designed light-intensity support mechanism.

Strengthening partnership deliverables

2SCALE is contributing to food and nutrition security through the establishment and development of public-private partnerships (SDG 17) and serving as a model to lift the vulnerable in society through inclusive market-based development. At the program level, 2022 focused on improving the governance system, developing comprehensive and flexible annual action plans to close the gap between desired and current situation, and organizing Reflect and Adapt (R&A)/Reflect and Consolidate (R&C) processes to ensure sustainability of the business relationship developed over the intervention period.

Improving the governance systems of the PPPs and ABCs

All PPPs in 2SCALE have at least two levels of governance: high-level governance and field-level governance. High-level governance is composed of strategic PPP actors, including those with less voice, and is responsible for key decision making in the PPP. After undertaking the R&A process in every PPP, the respective high-level governance approves the interventions and related co-investments required for the implementation of inclusive agribusiness development. In field-level governance, ABC actors meet to plan and review the implementation as per the Annual Action Plan (AAP) approved by the high-level governance. Field-level governance is organized at each ABC level. Aligning field-level governance strengthens ABC governance and improves the local-level networking. This not only strengthens field-level governance but also facilitates the ABC actors networking at grassroots level.

Comprehensive and flexible Annual Action Plan

The AAP is derived from the R&A/R&C workshops facilitated for the PPP actors. Usually, interventions are extracted from the priorities of the actors toward inclusive agribusiness development. To ensure comprehensiveness, thematic specialists review the AAPs compiled by Inclusive Agribusiness Advisors and advise on respective thematic area interventions, depending on the context of the PPP and issues raised during the R&A/R&C workshops. This has helped to logically align the business ambitions of actors with developmental outcomes. The development outcomes improve business efficiency and sustainability (commercial, environmental, and social). Depending on the dynamism in PPPs, AAPs are adapted to emerging demands and contexts. The Inclusive Agribusiness Advisor, in consultation with the Country Team Leader, business champion, and BSSs, has the flexibility to accommodate the changes needed because of emerging issues.

Reflect and Adapt (R&A), Reflect and Consolidate (R&C), and Reflect and End (R&E) Processes

All PPPs in 2SCALE have undertaken R&A workshops to jointly reflect on the collaborations achieved, risks, and tensions in the partnering process and adapt impact pathways if changes occur in the business environment in 2022 (see Section 3.5 for further details).

3.1.2 Deepening inclusive business models through PPPs

BoP marketing

Many activities took place under BoP marketing for the program portfolio. As mentioned, 40 partnerships reached BoP consumers with nutritious products. The following is a brief description of the work done. More information is available in the Annex on BoP Marketing.

Collaborate with business champions on nutritious product development and improvement of existing products

In 2021, 2SCALE focused on insight research to help inform champions on current market trends and needs. Results from those market studies were used for product development in 2022. Since some business champions did not have a clear and dedicated focus on nutrition, the program focused on increasing their awareness. As planned, 2SCALE collaborated with research institutions and individual specialists in program countries to ensure product development was achieved with the help of professionals.

For example, the cassava PPP in Côte d'Ivoire supported Ecoforp by connecting them to Nangui Abrogoua University to carry out nutritional analysis on its new Attieke Bonne Sante and Attieke Super range of products. Sweet 'n' Dried in Kenya contracted a nutrition scientist to develop six new variations of porridge mixes. These included porridge flour for weaning babies, diabetics, adults, and school children.

The program's goal is to ensure that our business champions put nutritious products into the market. Therefore, in 2022, 2SCALE partnerships successfully developed 23 nutritious products. These are entirely new products in several varieties as well as modified existing products. The next steps will be to expand market reach through various approaches for these products to increase sales.

Create appropriate branding and packaging

Based on the insights collected in 2021 for partnerships focusing on new product development, 2SCALE worked with business champions on translating these insights into inspiring branding and packaging for BoP markets.

In Ghana, the Rockland poultry PPP saw the finalization of its package and labeling acceptance by the Food and Drugs Authority and Ghana Standards Authority. It took a year and some months to conclude the package and labeling (branding) for the Akoko Tasty package of Rockland pre-cut chicken. Rockland now has a 10-kg package on the market, and a 1-kg package is to be launched to deepen BoP patronage. Packaging and branding with respect to chicken products came with a lot of hurdles and challenges.

Key among them were labeling, brand name choice, and the halal processes. Under the poultry partnership in Côte d'Ivoire, three cooperatives were supported to create visual brand identities as part of a behavior change campaign and market activation.



Another key success attained was the branded bags of syndicated business champions Nzara and Eden cooperatives in South Sudan for maize flour, which were launched in December 2022 in Western Equatoria state. Other partnerships that generated new or improved packaging for products included NanAlim, InnoFaso, and Nebnooma (BurkinaFaso).

Facilitate market activation

The program was able to conduct 28 market activations across the various PPPs, compared to the 15 planned for the year. Some of the partnerships took advantage of the Christmas period to conduct mega-activations to ensure extensive patronage. For example, the SCARP poultry PPP in Côte d'Ivoire organized its mega-fair December 23-31 under the theme "7 poultry days." The fair, which brought together poultry farmers, eateries, and other allied partners, led to more than 3,400 consumers in attendance and over 18,000 chickens sold. Similarly, Cato Foods in Nigeria held a major activation in Bodija market to create awareness about its vitamin A-fortified gari and custard products in Oyo state (Ibadan North). The event was also used to identify new distributors and retailers. Elsewhere in Kenya, Equatorial Nuts Processors received support from June to December 2022, through a contracted BTL marketing agency, to develop a market for its porridge flour, Narisha. The activities included sampling at supermarkets and hospitals. Trade development to enhance product distribution was executed in three regions (Nairobi, Kisumu, Nakuru). A total of 3,902 kg of Narisha porridge flour was sold to the BoP market, and 18 youths (nine male, nine female) were involved in the sampling and distribution.

Facilitate Last-Mile Distribution

To ensure low-income consumers at the last mile are reached, 2SCALE supported some business champions in establishing a distribution strategy to reach their customers. The CME poultry partnership in Ethiopia opened six sales outlets in 2022 close to consumers to ease product accessibility. The PPP also collaborated with an SME and rolled out a kebab roadside sales model in Hawassa, which was replicated in other towns in Ethiopia. Under the FCW PPP in Nigeria, 2SCALE supported Friesland Campina WAMCO to access remote communities with nutritious dairy products through the engagement of Fulani women cooperatives in Kwara, Oyo, and Osun states. However, the surge in the company's milk price led to a decline in the participation of the women's cooperatives, as they are unable to buy milk in large volumes to retail.

In Mali, Translait established mini-distribution centers to bring local milk and its derivatives closer to BoP consumers while increasing sales in the local market. These centers are essential in enabling easy movement of the milk to consumers. To further deepen access to BoP consumers of dairy products and fresh milk, Translait produced 20 branded pushcarts through a local manufacturer for use by milk resellers. Translait is now engaging local authorities to identify new sales points to expand. Nebnooma in Burkina Faso also engaged in exploring new sales point prospects in Ouagadougou, Bobo Dioulasso, and Koudougou.

Develop Behavior Change Campaigns

Misconceptions are a significant barrier hindering the adoption and uptake of products and services meant for the BoP. This issue is even more prevalent in low-income markets, where there is a low-level illiteracy and a wide range of beliefs about products are

held. Thus, strategies were needed to demystify and drive acceptance of those products. Poultry meat was one of these products. Most African countries have a poultry meat market that is dominated by foreign imported brands. Penetrating this kind of market means also that behaviors, opinions, and misconceptions must be realigned or changed. Five behavior change campaigns focused on healthier diets were carried out by poultry PPPs in various markets. In Côte d'Ivoire, farmer cooperatives were supported in outreach to selected sales points for sensitization campaigns on the value of chicken consumption and recipes. This activity resulted in expressed interest from seven new eateries to collaborate with the SCARP farmer cooperative.

Rockland used product freshness and wholesome taste as part of a behavior change communication tool to reduce the potential perceptions among Ghanaians. Several social media posts on Facebook and LinkedIn emphasized product freshness, Ghanaian origin, and wholesomeness to position it to compete against the imported brands. The message and visuals were disseminated through various mediums and communication materials and during activations.

Chico Meat Enterprise in Ethiopia used behavior change communications around a healthier diet to influence BoP consumers. Key among the strategies used were digital platforms, promotional materials, communications, and brand development. Most of the digital content made use of educational videos to drive the health aspects of the product.

Despite the efforts made in 2022 more work needs to be done to influence change in consumer behavior toward homegrown and locally processed products.





Private sector development and entrepreneurship skills

The following activities were undertaken to ensure that partnerships are strengthened, equipping micro-entrepreneurs for sustainable growth.

Implement B-Impact Assessment at scale

In 2022, the program planned to implement the use of the B-Impact assessment tool in 10 partnerships with the aim of strengthening their corporate and social responsibility engagement. The country teams were successful in kick-starting the process in 15 partnerships. A majority are in the validation stage, and the general feedback is that the tool is helping them to critically analyze their businesses and how their operations affect the environment and stakeholders. The process began at the end of the year and so the partnerships have not yet achieved certification. Consequently, this will be the focus for 2023 as the program plans its exit from Phase 2. This process aims to strengthen their businesses, a necessary ingredient for sustainability.

Organize in-Country Business Champion Gatherings

2SCALE often finds creative ways for partners to come together to promote networking, an essential part of business development. The 2SCALE replication and 10-year anniversary events held in six countries provided an opportunity to bring business champions together while celebrating the program's achievements. Networks and partnerships were built among actors, and BoP products were exhibited.

End-of-year reflection workshops were another creative way to bring partners together. They got the chance to receive essential feedback for strengthening relationships and were able to see what other actors and partners are doing in other value chains.

Finally, in 2022 IFDC held open door events in various countries, where 2SCALE business champions were invited to showcase their products and network.

Conduct Business Model Canvas Sessions

Four Business Model Canvas (BMC) sessions were

planned for 2022 but only two were held, one each in Côte d'Ivoire and South Sudan. In South Sudan, the impact of the BMC workshop was felt right away, as the maize partnership with Kanybek saw its sales improve. This was a direct outcome of the BMC session, where last-mile distribution of their current bread products was strengthened. After the BMC session, management created additional distribution points, which gave them access to more customers and immediately increased their sales. The other two BMC sessions were not able to be held due to exits from the program and discontinuation of partnerships.

Trainings for Micro-Entrepreneurs

Numerous entrepreneurship trainings were held in the different partnerships in various project countries. Training was conducted on many topics within the project commodity value chains for business champions and their staff, BSSs (and coaches), and youth and women active in the value chains.

For example, in Burkina Faso, 262 youth were trained in making compost as a business and further connected to a network of potential market outlets. The training participants consisted of 173 males and 73 females, and sessions were held in Bobo, Banfora, Orodara, Toussiana, and Karangasso Vigue. Another training was organized to improve the entrepreneurial skills of a pulp processing unit via quality and standardization processes. The aim was to assist the processors to follow the due process required for product certification. The 2SCALE team in Kenya invested heavily in trainings for most of its partnerships, covering six months of training on extension, private sector engagement, and negotiation skills. These trainings involved the novel approach of placing 30% of the interns in business champions' enterprises for direct skill capacity building. While the approach has created sustainability and inclusion through jobs, it has also enabled 2SCALE business champions to retain appropriate talent.



Agribusiness Cluster formation

As agribusiness clusters are the foundation of the program, comprehensive training was provided at the beginning of the year for all 2SCALE staff. Similarly, developing the capacity of coaches is one of the key activities that received high priority in 2022 through the allocation of added financial and human capacity to strengthen ABCs. Eight local consultants were hired in each focus country to provide field coaching and mentoring for the ABC coaches. Employing 2SCALE's cyclical approach, 479 (106 Junior Females(JF), 119 Junior Males(JM), 105 Senior Females(SF), 149 Senior Males(SM)) ABC coaches in eight countries received an average of two cycles of capacity building. The ABC concept, trust building, leadership, marketing, negotiation, and loyalty were the main topics of the capacity building. As a result, ABC actors' capacity to do business at the grassroots level improved following the cascaded support of ABC coaches (see the detailed results in the Annex on ABCs). Most importantly, in Burkina Faso and other countries, interaction among ABC actors improved because of the coaching and mentorship provided. One of the insights learned was that coaches require capacity building to discharge effective last-mile business development services for ABC actors. Capacity building also needs to be complemented by coaching and mentorship to enhance skill development. This is effective through the involvement of proficient local consultants, supported by the ABC team and Inclusive Agribusiness Advisors in most countries. As the assessment of coaches' capacity building did not identify any new topics to address, no additional modules were developed in 2022.

Community coaches were also engaged and trained to further reach ABC actors with the required business development services in their community. PPPs in Ghana have employed 128 community coaches who support the actors in facilitating agro-input linkages, tractor services, grain mobilization for business champions, and extension service delivery. For example, in the Kedan partnership, a community coach earned the trust of farmers by providing this free coaching service and was able to aggregate their produce for the business champion. As a result, he earned GHS 10,000, equivalent to €800, per month as a commission during peak harvest season. In addition, PPPs in Niger are also benefiting from community coaches' facilitation of networking and coordination (input and market) at the grassroots level. Therefore, involving and capacitating community coaches will be one of the replicable models that will be intensified in 2023 in other countries, which will also serve as a strategy to sustain the coaching service.



Setting up an internal BSS coaching arrangement has been considered as a strategic direction to sustain coaching services after the program's exit, and different models were developed based on the experiences of the program. For example, in Ethiopia and Niger, various options were analyzed, and some PPPs started implementing the models. At the end of the year, all active and light-intensity support PPPs in Ethiopia, except for one, had already started an internal BSS arrangement. Hence, the actors have started to pay for the coaching services, and the BSS began providing the coaching services as part of their service provision model, with a clear cost recovery mechanism. In Ghana, community coaches started providing bookkeeping services for VSLAs on a payment basis. In Mali, the SCS PPP has also started paying the BSS to provide training for its market gardeners. Thus, the cost of coaching is included in the cost structure of the value chain. Overall, this activity requires strong intervention in terms of entrepreneurship skills and business modeling and will be a priority in 2023.

Producer organizations are the anchor points in ABCs, and strengthening the capacity of the cooperatives is instrumental for strong ABCs. In Kenya, for example, under the Meru Dairy Union PPP, member cooperatives were at different levels of business performance. An exchange visit and follow-up capacity building was organized between the high- and low-performing cooperatives to enhance the business performance of the lower performing cooperatives. In Nigeria and Côte d'Ivoire, farmers have also been supported to organize

into cooperatives to enhance their access to inputs and markets. In South Sudan, coaches were trained on mapping of ABC actors and facilitation of networking among the actors.

To facilitate access to inputs and services, promotion of networking and local business platforms among the grassroots actors is instrumental. ABC stakeholder meetings were introduced to stimulate networking among ABC actors to coordinate access to input and services and strengthen business relationships. For example, in Ghana, all the PPPs held an ABC actor meeting before the planting season to match demand and supply of agro-inputs and services and align interests. In the Rockland PPP, 2,845 farmers (807 SW, 735 JW, 697 SM, 606 JM) have accessed inputs and tractor services from eight input dealers and 30 tractor service providers because of the stakeholder engagements. Kyeiwaa Agrochemicals has also increased revenue by 50% due to the facilitation of the cluster stakeholder engagements. This is an encouraging result and a model that will be replicated in 2023 in other countries.

Inclusive Green Innovations



The introduction and piloting of on- and off-farm green innovations were sustained in the program to drive adoption, scaling, and replication of innovations in all the active partnerships, including the pilot PPPs in Egypt and South Sudan. A total of 94 innovations have been introduced or piloted in all the partnerships. These innovations include good agronomic practices (GAPs), digital innovations, marketing and distribution innovations, and mechanical innovations.

The GAP innovations comprised 62% of all the innovations introduced and adopted in all PPPs. These innovations enabled actors in target partnership to drive production and productivity at farm level, reduce post-harvest losses and the impact of climate change, improve soil and water conservation, and protect the environment. GAP innovations prioritized best climate-smart approaches at farm level. Some of these GAPs include climate-sensitive seeds and planting materials, introduction of cross-bred cows, crop- and soil-specific fertilizers, slow-release fertilizers and micro dosing, biofertilizers and biopesticides, integrated pest management and soil management practices, and hydroponics for livestock feed production. Supply chain management systems, digital credit and insurance, mobile money, training and advisory platforms, and weather advisory services are some of the digital innovations deployed by the program, which have improved the supply chain coordination in target PPPs and thus reducing transaction cost, fostering access to information and inclusion of vulnerable groups in value chain governance and reducing power asymmetry in some PPPs. These innovations improved communication, transparency, and good business ethics in the PPPs.

The mechanical innovations introduced by the program include the digitally driven tractor services and drone sprayers, crop monitoring services, bullock service provision for land preparation, smart brooders, solar milk collection centers and cold rooms, solar irrigation systems, motorized planters and sprayers, and processing machines and equipment. These mechanical innovations have improved efficiency in on- and off-farm operations and enhanced and safeguarded produce quality and productivity, thus reducing post-harvest losses. The marketing and distribution innovations focused on innovations with the capacity to improve

access to products and services by the BoP consumers, such as the e-commerce platforms, climate-smart and refillable packages, and refill models or dispensers for cooking oil retailing. The innovations improved BoP consumers access to affordable and available nutritious food products.

At least one innovation has been adopted in each partnership in the program. The priority in 2022 was to sustain the use of previously introduced or piloted innovations and replicate and scale them within the first PPPs, in new PPPs, and in other countries. Not all the innovations introduced or piloted were sustained or scaled. More than 50% of the innovations in Ethiopia, Ghana, Nigeria, Niger, and Burkina Faso were sustained from the first pilot between 2020 and 2021. About 15% of the piloted or introduced innovations were terminated for reasons including nonalignment with the value chain activities of target partnerships, size of investment required to drive the innovation beyond the support of the program, or inability to identify the partner or champion to drive the innovation. This was the case for the climate-based information service provided by 52 Impact in Nigeria due to a lack of local capacity or expertise to develop and sustain the innovation and the low scalability potential of the innovation. In the francophone countries, most innovations are on-farm GAPs and mechanical innovations focusing on climate-smart approaches. The portfolio in the francophone countries lacked a strong digital innovation base due to the low availability of entrepreneurs driving and incubating agri-focused digital innovations.

The supportive partnership agreements (SPAs) have enabled the program to drive innovations by ensuring pioneers of innovations invest and lead the deployment and scaling activities. This approach improves the sustainability of the innovations and reduces the investment cost associated with introducing them at the program level. In Nigeria and Ghana, for example, Syngenta foundation in the syndicate vegetable PPP and Ignitia in the Faranaya PPP have enabled the scaling of solar-powered greenhouses for vegetable seedling production and scaling of weather services replicated across four PPPs, respectively. The major green innovation priorities for 2023 are to improve the access and adoption of digital innovations in the francophone countries by supporting digital innovation incubation hubs to emerge and scaling and deepening sustainable innovations within the program.

Loyalty and supply chain coordination

A concerted effort was made (almost in all PPP) in 2022 to create a fair and transparent negotiation process between the farmers and the business champion or the aggregators. While 2SCALE is responsible for creating an enabling environment, the program must play a neutral role. Thus, all the negotiations happened directly between the actors to determine quantity, quality, price, and other key marketing factors. However, given the limited skill of ABC actors to manage such a process, the program designed a capacity building program for ABC coaches and the partnerships on negotiation skills and loyalty in business relationships in Burkina Faso, Mali, Niger, and Kenya. The capacity building allows the coaches to strengthen grassroots actors' negotiation capacity with lead buyers and be able to facilitate the negotiation process. Accordingly, 387 ABC coaches (86 JF, 77 JM, 99 SF, and 125 SM) participated. Due to the capacity building, community coaches have facilitated engagement agreements among farmers, women processors, and input dealers in the millet PPP. Engaging the community coaches and capacitating them is key to facilitating business connections and strengthening relationships between the business actors at the local level.

In Mali, an informal contract was facilitated between SCS and market gardeners and between UCODAL and UTC following the capacity building on networking skills. In Kenya, the supply of raw material to the business champions has increased. In Burkina Faso, coaches have started to facilitate negotiations and networking on their own. However, capacity building interventions on vertical coordination and grassroots actors' negotiation are required to coordinate supply chain alignment with the interests of the negotiating parties. In 2023, focus will be placed on supply chain coordination interventions in all PPPs. Challenges with loyalty also still require intervention for the suppliers to improve their relationship with the business champions. A pilot concept note is being developed to enhance the loyalty of milk suppliers under the FCW PPP, and implementation will follow in 2023.

Faranaya, in partnership with Guinness Ghana, is piloting a digital system to coordinate the supply chain in 2022. This digital system enables farmers to be profiled by their location, land size, credit rating, resource needs, production potential, etc. While the tool offers the business champion an opportunity to manage their network of farmers, it also provides the business champion and farmers direct access to different market opportunities in the sorghum sector. The tool is at the testing stage, and its performance will be monitored in 2023. Depending on its success and interest from the business champions, it could be replicated in other PPPs. Otherwise, other options will be sourced to support supply digital chain coordination.

Gender equality and women's economic empowerment



In 2022, the gender equality and women economic empowerment (GE-WEE) strategy had 11 main activities that were repurposed into four axes of implementation: (i) providing teams and BSSs the tools to identify and include women; (ii) increasing communication on generated impacts; (iii) capacity building in entrepreneurship for WEE; and (iv) gender mainstreaming.

During field workshops in Burkina Faso, Ghana, Niger, Mali, Côte d'Ivoire, and Kenya, BSSs, coaches, and Inclusive Agribusiness Advisors were trained on how to use a value chain inclusion and opportunity map, projection plans, and strategies to include more women with regard to the impact left to attain per PPP. In parallel, modules on good quality practices for processors, operations, supply management, and nine others based on business and community support for micro-entrepreneurs (also known as Aya 2.0) were successfully prepared and later tested in six countries within the maize, palm oil, soybean, rice, and millet value chains. A total of 130 women were trained in 2022 with this new curriculum, with at least two per country identified to hold the role of Aya ambassador, a position where they train other women as a source of revenue and to have more local women-led business support services.

During these field visits, the approach to gender mainstreaming was also reviewed to reduce misconceptions around gender equality, equity, and inclusion, as well as the program's aim when it comes to women's empowerment and the tools to facilitate implementation.

In Mali, Kenya, Nigeria, and Ghana, work was also done with the innovation, youth inclusion, and financial inclusion teams to ensure that proven methods, such as VSLAs and ensuring the community has support systems and the leadership to seize opportunities, were addressed specifically for women, especially young women, at the ABC level.

To improve the visibility of the impacts being made, six replication cases on access to land, win-win negotiations, improved seeds for women, and micro-franchises for women were written. One-pagers were written on the evolution of gender-inclusive activities since the program started in 2019 to reflect on the progress. So far, most impacts have been surpassed, with women leading 7,548 MSMEs and 224 SMEs, occupying 19,490 jobs, and representing 312,126 producers in the program.

The program's ability to do more follow-ups to support women-led MSMEs in growing their business is still lacking. A couple of initiatives will be piloted in 2023 using Aya, inclusive business ideas, and short accelerator projects to address that. The key lesson learned in 2022 was that, with resourcefulness and well-prepared teams, program implementation can be adapted to accommodate changes in budgets and local situations.

Youth inclusion

In 2022, 2SCALE focused on scaling and equipping youth with basic social and business skills aligned with the market needs of participating PPPs and value chains, as well as nurturing youth entrepreneurial and leadership capabilities. The program implemented interventions to enable youth to identify concrete PPP market and employment opportunities based on their interests, passion, and aspirations.

Other interventions included increasing the technical capacity of country technical teams to implement the youth mobilization strategy and training ABC and BSS coaches, enabling them to engage more youth with coaching and mentorship support and to facilitate entrepreneurship and business skills development, including access to finance. By expanding youth employment and entrepreneurship support in agribusiness partnerships, 2SCALE is able to improve the capacity and ability of all PPPs to attract youth in new off-farm jobs and entrepreneurship and facilitate access to additional financial services and products.

As of December 2022, 25,126 non-farming jobs in targeted ABCs and value chains had been created, with 11,067 young women and 14,059 young men benefiting. Partnerships involved 7,724 micro-entrepreneurs/SMEs, including 3,227 young females and 4,498 young males. Furthermore, the program assisted 101,366 young small-scale farmers, including 54,233 young females and 47,133 young males, as well as 3,210 youth-led MSMEs involving 1,659 young females and 1,551 young males, in accessing additional financial services.

The 2SCALE Youth Digital Platform was developed and deployed, providing youth with soft and technical skills, networking, peer education and access to market for employment, and business opportunities in the agro-industry and food sector. One of the key lessons learned is that when new agricultural innovations in PPPs are mechanized or digital and come with a monetary performance or quality-based incentive, young people are more likely and willing to adopt them (e.g., loyalty programs and incentives for youth to engage more in supply chain and other value chain activities).

Key areas for more attention include:

1. Scaling support and services provided to increased numbers of youth-led MSMEs as they grow (tailored supporting package as youth engage with the business champion).
2. Enhancing agriculture mechanization and digitization practices in PPPs to accelerate youth-led digital services and adoption of new innovations and technologies.
3. Providing tailored youth coaching and mentorship to assist youth in identifying and addressing key business challenges and finding appropriate solutions on their own and reinforce youth learning.



Financial inclusion



The financial inclusion goal for the end of December 2023 was to reach 250,000 smallholder farmers and 125 SMEs and producer organizations and to attract and/or mobilize additional private sector finance of €50 million.

Progress to date has been impressive – but given the scale of the challenges, it is important these efforts be continued. In consultation with both the supply side and demand side of finance, a concept note was developed for light-intensity support for PPPs from both 2SCALE Phase I and II. The concept, now under implementation, seeks to build on the deal pipeline already created and build sustainable and inclusive financial service relationships centered on the smallholder farmer to accelerate the impact through generating income and employment and contributing to food and nutrition security among the poorest households.

Loans of more than €12.9 million were disbursed to SMEs, farmers, and cooperatives in 2022 as a direct result of 2SCALE facilitation. More than 21,000 farmers benefited from credit and other financial services. Several financing arrangements used by 2SCALE partner firms are replications of proven financial models to deliver loans to small-scale farmers. For example, in Ghana, Côte Ivoire, and Kenya, 2SCALE partner firm CARE's innovative platform Chomoka is designated as digital solution provider for VSLAs. The platform will disburse farm loans through these VSLAs, benefiting nearly 6,000 smallholder farmers. In Kenya, the producer organization MDU received a \$1.47 million line of credit from banks and \$0.18 million for onward lending to farmers.

In each country, 2SCALE teams not only connect producer groups and businesses to lenders, but also work with lenders to develop new financial products tailored to a group's specific needs. For example, in 2022 Ras-Gayint Union accessed a total of ETB 150 million in working capital loans from different financial institutions – ETB 70 million from Abay Bank and ETB 80 million from Saving and Credit Cooperatives (SACCOs; ETB 30 million from Lidet and ETB 50 million from Rib SACCO Union). In addition, Lidet SACCO has provided an ETB 5 million loan for Ras-Gayint Union-affiliated cooperatives to aggregate green bean varieties from smallholder farmers.

A key factor in these successes is the support the program receives from strategic financial partners. IFC, AfDB, Rabo Foundation, Root Capital, AgriFi, IDH Farm Fit, the Netherlands senior experts (PUM), and others who provide expertise in specific areas, enabling 2SCALE to successfully address major (and long-standing) challenges. The 2SCALE financial inclusion strategy also aligns field activities with those of other donor-funded projects to minimize duplication and increase impact. For example, the program coordinates with the several U.S. Agency for International Development (USAID)-funded projects in West Africa, targeting resources to the same industry but in different (sometimes complementary) geographical areas, or to specific value chain segments. For example, the Dutch Fund for Climate Development, and IDH Farm Fit in Nigeria support the oil palm partnership through action-research on investments and interventions in input supply systems.

3.2 Strategic Workstream 2 (SW2): Replication of inclusive business models and partnership models

In 2022, the program focused on replication of proven practices and models within the existing PPPs instead of setting up new PPPs to replicate models. A series of steps were followed: identifying proven practices (this was mainly done in 2020-2021), documenting the replication briefs; facilitating forums to share experiences (both at country and international levels); supporting actors to customize the models to fit to their own conditions; and monitoring implementation.

Documentation: Briefs on 37 proven models to promote inclusiveness and competitiveness for agribusiness in the anglophone setting were developed and published. These were made available both in hard copies (limited number) and soft copies. 2SCALE staff distributed these materials to the appropriate audiences to trigger interest in replicating the models and practices. Twenty model briefs have also been identified and drafted under the francophone setting, and these will be published in the second quarter of 2023. These additional materials will be used to further steer the replication of proven models in francophone countries.

Learning opportunities: One international (anglophone context) knowledge-sharing workshop was organized in Nairobi as part of the 10-year anniversary of the program (see details under Section 3.7). Six in-country replication events (see Section 3.7) were also organized based on topics identified at the country level. On top of these events, all PPP governance meetings, both at the management and grassroots levels, were used to share relevant replicable cases to promote both inclusiveness and competitiveness. Key areas where successful replication of proven practices was realized in 2022 include:

- **Internal BSS arrangements:** the experience from Ethiopia was used to set up internal BSS arrangements in Kenya, Mali, and Nigeria. This will help sustain the coaching service for the ABCs after the exit of 2SCALE.
- **Dairy farmer mobilization:** The Fulani dairy cooperative model and integration of smallholder dairy practices (smallholder dairy unit, improved pasture production and feeding regimes) is being replicated in the Nestle dairy partnership.
- **Financial inclusion at the grassroots level:** Several PPPs have adjusted their attention toward smallholder farmer financial inclusion through the informal financial arrangements, such as VSLAs. The MoU signed with CARE NL has positively contributed to this trend.
- **Green innovations and input package arrangements focused on improving soil and water conservation and enhancing smallholder farmer resilience for climate change:** These have been replicated across PPPs and countries.
- **BoP marketing:** Distribution of BoP products using local distribution networks by employing young sales agents (replication of Novos Horizontes model) and GUTS from Phase 1 has been replicated in many PPPs including, CME in Ethiopia, Rockland in Ghana, and SnD in Kenya.

The successful replication of these models helped actors design their strategy in a shorter period and minimized the risk involved in implementing a new strategy. At the program level, most of the big jumps in the UIIs (1, 2 and 3) can be attributed to the successful replication of proven models and practices at different PPP levels.

However, the major challenge for further promoting replications of proven models in many PPPs is the slow process to customize the models to the respective situation. Customization first requires a good understanding of the model and then guiding the actors to contextualize the model to the key factors for success. This takes time.

3.3 Strategic workstream 3 (SW 3): Facilitating sub-sector systems change

Strategic Workstream 3 addresses relevant sub-sector challenges originating in existing PPPs to accelerate inclusive business. It supports business leaders and industry platforms that can influence broader challenges in their sub-sector. Such changes will enable the business champion to grow, but will specifically have an impact on the performance of the sub-sector. Since SW 3 is building on existing PPPs and engaged leaders, significant change in complex value chains is possible with limited resources. The Informal Change Alliance, built around key players and existing PPPs, is the platform that induces systems change trajectories. Nine change trajectories were operational in 2022:

- Developing quality norms and promoting the production and sales of ecological vegetables in Burkina Faso.
- Improving smallholder farmers' access to finance to boost poultry production in Burkina Faso.
- Improving access to quality bean seeds through the inclusion of beans in the regular public seed provision and extension system in Ethiopia.
- Introducing commercial sorghum hybrid seeds and the production of open-pollinated foundation seed by the public institutions in Ghana.
- Improving the quality and traceability of the production and sales of vegetables in Kenya.
- Improving the production and sales of dairy fodder in Kenya.
- Developing quality norms and premium prices for safe vegetables in Mali.
- Kick-starting local multiplication of seed potatoes to increase production in Niger year-round.
- Strengthening and embedding an inclusive premium-pricing mechanism in sorghum, focusing on quality to drive production and supply in Nigeria.

The Informal Change Alliances implemented their change trajectory action plans, backed by the country teams. The 2SCALE Sub-Sector Systems Change (S3C) team supported the overall implementation of the change trajectories. The following key activities were executed with success in 2022:

• All nine change trajectories continued in 2022, and the country teams expressed the need for assistance in the process. The S3C team focused on regular sessions with the country teams and the business champions/leaders of the Informal Change Alliance to monitor the progress of the implementation. During these sessions, demand-based support was provided on how to improve the implementation of the change trajectories or resolve problems during implementation. In 2022, the program dealt with multiple crises, such as bird flu in Burkina Faso, leading to the formulation of an alternative action plan to deal with the problem before continuing with farmer training on access to finance. Also, the changing role of one of the business champions in Kenya led to multiple strategic reflections on how to deal with a BSS that transitions into a commercial partner.

The S3C team visited eight change trajectories and will do so again in 2023 to provide tailor-made implementation support to country teams. The nine trajectories all moved at their own pace, induced by the leadership of the Informal Change Alliance and determined by the complexity of the issue as well as the prevailing context. The trajectories on safe and traceable vegetables in Burkina Faso and Mali made significant progress on the development of industry-wide quality norms for ecologically or organically produced vegetables. In Kenya, a county-level "Feeds Alliance" has been put in place by the KDPL dairy partnership to address recurring feed shortages during the dry season and high feeding costs through the introduction of improved fodder varieties and the commercial production and sales of fodder. This initiative is fully supported by the county authorities and is gaining traction. Trajectories in Ghana (sorghum) and Ethiopia (beans) are also moving forward and presenting encouraging results at the sub-sector level (see below).

• The S3C team organized a learning event in November 2022 around horticulture, in which experiences were shared from three countries. 2SCALE works in Burkina Faso, Kenya, and Mali to improve the standards of food quality and food safety in the fruit and vegetable value chains. The three countries are working at different levels in the value chain, making their experiences interesting for the development of the other countries. All countries noted a struggle with last-mile distribution logistics to end consumers while guaranteeing the traceability of the products. Examples from all three countries showed the potential of these value chains in Africa, despite the large logistical, financial, and knowledge gaps.

• Based on 2022 experiences, 2SCALE is collecting stories showing the potential and difficulties in implementing the change trajectories. The cases are being developed by the country teams under the S3C team's guidance. Nine cases have been submitted and are currently being reviewed by the S3C team. The first stories will be published in 2023, and the country teams will further develop the cases based on experiences in 2023 and 2024.

Some activities encountered challenges in 2022, which will be addressed in 2023:

- Some Informal Change Alliances like those in Nigeria, Kenya and Burkina have been dealing with drought, high input prices, or bird flu, which slowed down the implementation of their action plans. The S3C team will support the country teams to find alternative ways forward as needed in 2023.
- The change trajectory in Kenya in the vegetable sub-sector was stopped because of the changing roles and positions of the main actors. The business champion was close to bankruptcy and the BSS evolved to a full commercial partner. These changing dynamics could not guarantee a satisfying outcome. Lessons will nevertheless be capitalized upon.
- In Niger, the test to multiply potato seed did not give satisfying results. The S3C team will be looking for solutions in 2023.
- The S3C team was not able to present any best practices during external events in 2022, mainly because the process of collecting information only started in 2022. In 2023, events will be selected to share these with other projects and partners.

Facilitation of systems change should contribute to sustainable impact in the sub-sectors the program supports. At this stage, the following qualitative impact has been demonstrated:

- In Ghana, the sorghum seed market has been changed through commercial seed dealers and government institutions that introduced new imported and open-pollinated varieties with higher yields.
- In Ethiopia, the lobbying capacity of a large seed union leading the Informal Change Alliance has enabled the bean seed market to be financially and technically supported by the government and grow substantially.
- In Burkina Faso, a large investment fund boosted the sales and promotion of organic vegetables and fruits through multiplication of retail shops.

2022 was the first full year of working on change trajectory implementation. The following key lessons were learned:

- Good change ideas are based on the selection of capable entrepreneurs who are surrounded by influential actors who can change the current situation. This is the case with influential government bodies in Ethiopia, with impact investors in the case of Burkina Faso, and with private sector investors in the case of Kenya, Mali, and Ghana.
- Sub-sector systems change has a large spin-off when influential actors engage in the formulation and development of the change trajectory. This takes time, but it creates the right dynamics and ownership.



3.4 Support activity: Action research

Action research in 2022 focused on case studies related to three partnering capacities: deliberative, alignment, and fitting. First, together with the Institute for Development Studies (IDS)⁵, the deliberative capacities of 12 partnerships in four countries were analyzed and compared. This sample included active and suspended partnerships. Deliberation is key to the 2SCALE approach: being able to negotiate, prioritize, and act as partners is considered instrumental for marrying inclusive agribusiness and food and nutrition security. The research involved 25 interviews and analysis of R&A documents.

Second, the action research team continued to investigate the presence of alignment capacity in ABCs, which is considered a condition for consolidating and sustaining them with light or no support. Whether and how different small and medium businesses can bring their logistics and operations in line with each other determines the creation and sustainability of a value network inclusive to a variety of SMEs, micro-entrepreneurs, and smallholder farmers. Field research was conducted in Benin, Ethiopia (together with IDS), and Ghana (with a Wageningen University & Research [WUR] student).

Third, action research linked to IP-3 'Facilitating sub-sector system change' developed and applied the concept of crowding-in. Crowding-in emphasizes the importance of detecting and potentially using responses of actors in the ecosystem to the emergence of inclusive agribusiness. The action research made a first step in framing different antennae for discovering early signs of crowding-in. Fieldwork in Kenya with KDPL validated the framework and together with the partners, the research team diagnosed enabling and constraining conditions for crowding-in.

The innovation agenda of 2SCALE links to the notion of frugality: doing better with less. Frugal practices have been documented for PPPs in Benin, Ethiopia, Nigeria, and Kenya. The relation between frugality and inclusive agribusiness was further developed in a paper, accepted for publication in the Journal of Agricultural and Environmental Ethics, analyzing how the Shalem partnership in Kenya handled the so-called food security conundrum: how to commensurate provision of affordable and nutritious food with rewarding and just engagements of smallholder producers.



5. Vellema, S., Schouten, G., & Van Tulder, R. (2020). Partnering capacities for inclusive development in food provisioning. Development Policy Review, 38(6), 710-727. Open Access: <https://onlinelibrary.wiley.com/doi/pdf/10.1111/dpr.12466>

3.5 Support activity: Monitoring, Evaluation, Accountability and Learning

In 2022, the Monitoring, Evaluation, Accountability and Learning (MEAL) team delivered monitoring and evaluation (M&E) reports to the Program Management Team (PMT) and the Supervisory Board. In these reports, a strong focus remained on the assessing and showing progress toward UII targets set at program, country, and partnership levels. These reports informed discussion on progress made by the partnerships, but also provided an opportunity for Country Team Leads and Inclusive Agribusiness Advisors to share the challenges many partnerships were facing. A discussion on realistic target setting was also initiated. The submission, processing, and reporting of the data involved an interactive process between the M&E and Action Research teams and the colleagues working in the field, focusing on the quality and reliability of data submitted, the context-specific conversion factors used in making computations, and the integrity of the data submitted by Inclusive Agribusiness Advisors. Moreover, 36 trainings were organized by the MEAL team to further capacitate the program on the use of the M&E system (see Table 1 below).

What/ Subject	How	Number	Participants	Countries	When
Utilization of Akvo Flow, RSR, and Lumen	In-person and online training	9	63	Burkina Faso, Mali, Ethiopia, South Sudan, Kenya, Nigeria, Ghana	February to December 2022
Use of IPs		12	100		
Reporting on the four capacities		6	85		
UII results calculation		6	40		
Concept of light-intensity support		1	5		
Introduction M&E framework		2	9	Egypt, Kenya	
TOTAL		36	302		

Table 1: M&E training overview 2022

The full integration of the MEAL and action research components of 2SCALE supported the processes of reflection, learning, adaptation, and consolidation of the partnership strategies. In 2022, the focus on UIIs was increasingly complemented by attention to the processes and interactions where inclusive agribusiness is created and reinforced. This theory-based approach to M&E is essential for analyzing the plausible contributions 2SCALE and its partners are making to the envisioned and unfolding change processes. Capturing the space for learning and adaptive management related to the flexible use of impact pathways is intrinsic to the 2SCALE approach. This was one of the major tasks of the MEAL team and is based on close and frequent collaborations with Country Team Leads, Inclusive Agribusiness Advisors, and partners. The MEAL team leads data collection and research and reports to the partnerships through an information package prepared for the R&A workshops organized by the partners and the Inclusive Agribusiness Advisor. These information packages aim to support evidence-based decision making by the partners and require preparatory interviews with the business champions, the Inclusive Agribusiness Advisors, and selected partners.

The MEAL team was present to support the actual reflection and learning process of the partnership and, subsequently, to inform partnership governance meetings. The integration of action research and M&E supports building the deliberative capacity of partnerships, which is assessed during the R&A workshop itself (by the partnership health thermometer). The collaborative efforts result in close monitoring of progress and direction of the PPP strategies. Increasingly, partners, Inclusive Agribusiness Advisors, and Country Team Leads use M&E data to reflect and possibly revise the initial impact pathways outlined during the Diagnostic and Design workshops. The facilitated R&A workshops form a central feature of the 2SCALE approach. However, not all partnerships take part in this, indicated by the absence of governance meeting and evaluation notes in 2SCALE's SharePoint archive. This suggests the value of further capacitating PPPs in adaptive management and offering Inclusive Agribusiness Advisors the appropriate tools and methods for this.

Since the program is also moving toward consolidating the inclusive agribusiness strategies of partnerships and consequently reducing financial and staff support, the MEAL team, together with iCRA, composed a

new manual for the R&C process. This manual builds on the R&A process and is tailored to this phase of the partnership. It aims to involve partners in appreciating the developed partnering capacities[1] and identify contributions made by the partnerships to the change process portrayed in the impact pathways. The MEAL team created a two-page brief for Inclusive Agribusiness Advisors and training was conducted by the Partnership Resources Centre (PrC). In the R&C workshops, partners jointly identify what actions, processes, or strategies are essential to maintain sustainability after the support by 2SCALE phases out. In 2022, the team supported 41 R&A workshops and 20 R&C workshops (see Table 2).

R&A	Burkina Faso	Côte d'Ivoire	Ethiopia	Ghana	Kenya	Mali	Nigeria	Niger	South Sudan
R&A 1st round	0	0	2	0	2	3	5	1	2
R&A 2nd round	2	1	4	3	0	0	2	1	0
R&A 3rd round	1	1	0	4	3	3	0	1	0
R&C	4	2	0	1	1	3	5	4	0
Total	7	4	6	8	6	9	12	7	2

Table 2. R&A and R&C workshops supported in 2022

With partnerships maturing, the monitoring of Markers for Change at multiple outcome levels captured in the partnership-specific impact pathways becomes more relevant. Moving along the impact pathways brings partners closer to the ultimate outcome levels, which represent changes linked to inclusive agribusiness. This is considered to reflect one aspect of the systemic change 2SCALE contributes to: modified relations, mindsets, and ways of doing business in the food provisioning system in which the PPP is embedded. The MEAL team was trained to combine qualitative and quantitative methods to collect and process data for this purpose. In addition, more attention was given to the internal quality control process by reviewing and suggesting improvement of partnership-specific impact pathways and the proposed qualitative and quantitative indicators for monitoring these. This part of the monitoring process prepares the program for a contribution analysis, which scrutinizes the contribution and necessity of 2SCALE activities and support to realizing inclusive agribusiness fostering food and nutrition security.

In 2022, the collaboration between the country teams and the MEAL team intensified. Members of the MEAL team presented M&E data for monthly reflections by the country teams. In addition, the first steps were taken to make a portfolio analysis of the different partnerships in a country and assess which partnerships contribute to what impact domains. This became especially relevant in the context of reviewing the performance of PPPs and determining the potential for light-intensity support by the program at consolidation stage and included monitoring of the program-level Impact Pathway 1: Incubating

inclusive agribusinesses. Not all partnerships were found to operate in line with the 2SCALE approach. Monitoring Impact Pathway 1 is part of documenting how and why several PPPs deviated from the original business idea. In 2022, complementary workshops were organized in Côte d'Ivoire, Mali, and Niger to understand why the central business champion in the original partnership description did not always fit the reality of smallholder farmers. In response, PPPs invited new partners and reconsidered their impact pathways, for example by shifting the focus to aggregators or micro-entrepreneurs closer to the farm gate. This kind of adaptive management requires the presence of minutes and evaluation notes, which was not self-evident.

The MEAL team worked closely with the team leading Impact Pathway 3: Facilitating (sub)sector system change. For the selected PPPs contributing to Impact Pathway 3, distinct impact pathways were identified and subsequently monitored with the partners. Timely delivery of inputs for the monitoring remained a challenge in this endeavor.

The MEAL team informed reflection and strategizing at the level of the Supervisory Board, PMT, and extended PMT meetings. This contributed to intensifying the impact orientation of the program. The M&E data made it possible to assess the costs for making an impact at the level of the entire PPP portfolio. The cost-effectiveness for distinct impact domains was differentiated by country, PPP, type of PPP (lead firm or grassroots-led), size of the business champion, and sub-sector. To illustrate, the PPPs in the dairy sector contributed significantly to affordable access to nutritious food by BoP consumers (UII1) at

relatively low costs and with little difference between PPPs led by a lead firm or a cooperative. This type of information has the potential to inform portfolio management at country and program levels and to encourage realistic target setting and use of resources at partnership level.

Toward the end of 2022, the MEAL team and PMT collaborated with the Netherlands Directorate-General for International Cooperation (DGIS) to outline the approach to evaluating the impact of 2SCALE, with a specific focus on Phase 1. DGIS and 2SCALE organized two workshops with the Independent Office of Evaluation of the International Fund for Agricultural Development (IFAD) to develop an approach to the post-impact assessment planned for 2023-24. The planned preparation for a pre-audit of the M&E system by the Donor Committee for Enterprise Development (DCED) was postponed and while preparing for the impact assessment was prioritized.

3.6 Support activity: Knowledge management

In 2022, the main scientific contribution of the team resulted in an open-access IDS Bulletin fully dedicated to theory-based evaluation and contribution analysis of inclusive business programs⁶. One paper in this bulletin analyzes two 2SCALE partnerships (soybean in Kenya and cassava in Nigeria) to demonstrate how monitoring ultimate outcomes as signs of systemic change informs strategizing by partners⁷. Another paper by a member of the MEAL team reports on collaborative work with MoFA in doing contribution analysis together as partners⁸.

In 2022, the action researchers based at PrC and WUR co-organized and led two panels on systemic change and system thinking and contributed two 2SCALE-based papers to the 8th Cross-Sector Social Interactions (CSSI) online symposium on "Partnering for Resilience and Transformation" at Wageningen University & Research, The Netherlands, June 22-24, 2022⁹.

As in previous years, PrC/Rotterdam School of Management (RSM) and WUR embedded 2SCALE learnings into Dutch education in 2022 in: (i) the Erasmus University course Cross-Sector Partnerships for Sustainable Development for the master Global Business & Sustainability; (ii) the Leiden-Delft Erasmus minor Frugal Innovation for Sustainable Global Development, (iii) the International Institute of Social Studies of Erasmus University Rotterdam master course Development Policies and Practice: Interests, Conflicts and Cooperation, and (iv) several WUR courses in its bachelor's and master's program International Development Studies. In addition, two master's-level students from RSM and WUR conducted research together with 2SCALE.

As strategic advisors, members of the team supported both the PMT and Supervisory Board in their reflections and strategizing. In 2022, the role of PrC as strategic partner to the program came to an end due to organizational changes at RSM and movement of staff. For the coming years, the involvement of Dutch and international knowledge partners in 2SCALE will be coordinated via WUR. In 2022, the capacity of 2SCALE to involve African universities as knowledge partners was limited, though discussions for collaboration have begun with two universities: University Thomas Sankara (UTS) of Ouagadougou and the National Institute Houphouët Boigny (INP-HB) of Yamoussoukro. These discussions are still at an early stage and need to be followed up in 2023. The main idea behind these discussions is to see under what conditions these universities, and many others in the 2SCALE countries, could allow interventions by program partners and colleagues during certain courses. Business champions could agree to share their experiences in business schools or even host interns on their premises for their educational internship period.

6. Ton, G. and Vellema, S. (Eds) Theory-Based Evaluation of Inclusive Business Programmes, IDS Bulletin 53.1, Brighton: IDS. <https://opendocs.ids.ac.uk/opendocs/handle/20.500.12413/17097>; Ton, G. and Vellema, S. (2022) Introduction: Contribution, Causality, Context, and Contingency when Evaluating Inclusive Business Programmes in Ton, G. and Vellema, S. (Eds) Theory-Based Evaluation of Inclusive Business Programmes, IDS Bulletin 53.1, Brighton: IDS. DOI: 10.19088/1968-2022.102. <https://opendocs.ids.ac.uk/opendocs/handle/20.500.12413/17107>

7. Vellema, S., Schouten, G., and Faling, M. (2022) 'Monitoring Systemic Change in Inclusive Agribusiness' in Ton, G. and Vellema, S. (Eds) Theory-Based Evaluation of Inclusive Business Programmes, IDS Bulletin 53.1, Brighton: IDS. <https://opendocs.ids.ac.uk/opendocs/handle/20.500.12413/17102>

8. <https://www.wur.nl/en/research-results/chair-groups/social-sciences/cssi-partnerships-conference-2022.htm>
Panel 3. Partnering and transformation: how to capture systemic change? <https://www.wur.nl/en/research-results/chair-groups/social-sciences/cssi-partnerships-conference-2022/panels/panel-3-partnering-and-transformation-how-to-capture-systemic-change.htm>.

9. Faling, M. (2022) 'Assessing Contributions Collaboratively: Using Process Tracing to Capture Crowding In' in Ton, G. and Vellema, S. (Eds) Theory-Based Evaluation of Inclusive Business Programmes, IDS Bulletin 53.1, Brighton: IDS <https://opendocs.ids.ac.uk/opendocs/handle/20.500.12413/17101>

3.7 Support activity: Communication

Field story documentation

Documenting the impact at partnership level is critical to the 2SCALE program. Compelling case studies/blogs are important to corroborate the data reported in program universal impact indicators. In 2022, 96 field stories were documented across the program countries, 65 of which were from anglophone countries. While the number of stories published almost doubled (96 in 2022 versus 53 in 2021), the focus in 2023 will be to extract more impact stories from the francophone countries.

In addition to the blogs, an additional 25 replication cases focused on the francophone countries were documented. To also document the transformative effect of the 2SCALE program visually, 12 visual storybooks (short films) across the program countries were developed.

Enhanced digital communications

Growth on 2SCALE digital communication platforms continued to grow last year. This growth can be attributed to the focused strategies that were implemented to grow our audience as well as the additional work done on social media with the involvement of interns. The program's audience grew from 5,850 followers in 2021 to 7,296 followers in 2022. The engagement rate also increased from 4.99% in 2021 to 7.91% in 2022. Globally, the average engagement rate is around 5%. In 2023 the production of dynamic content for our platforms will be enhanced. One area where room for growth still exists is the 2SCALE Instagram portal. This is one of the most popular platforms now, and with some renewed focus, the platform will be buzzing.

In 2022, great progress was made in developing the 2SCALE Academy, the program's internal knowledge-sharing and training platform. The majority of the work on the content and the technical development was done last year, with only final changes needed in 2023. The launch of the platform is slated for the second quarter of 2023.

10-year Replication event, Nairobi

On June 7-8, 2022, the first program-level replication event took place at the Trademark Hotel in Nairobi, Kenya. On both days, an average of 120 participants attended the event, with good representation from the Dutch Embassy in Kenya by Pim Van Der Male, First Secretary Food Security and Water (EKN Kenya). Representatives from the consortium partners SNV, Bopinc, and IFDC joined the event and shared insights on the inclusive and sustainable agribusiness agenda anchored by 2SCALE.

To enable staff and partners who were not able to join to follow the proceedings, the event was live-streamed on the 2SCALE YouTube and Facebook platforms. In terms of website traffic, the period June 7-9 featured the highest number of sessions, pageviews, and users on the 2SCALE website this year. This can be attributed to the promotional campaigns that were initiated as well as the online engagement by participants, both virtual and in person, during the event.

On YouTube, collectively there were 777 unique views of the live stream, with a combined viewing time of over 36 hours. The average watch time of the views was 6 minutes and 46 seconds. On Facebook, there was a total of 835 unique views and a cumulative reach (total number of people who saw the posts via shared content) of 2,242.

Strengthening in-country program presence

In 2022 2SCALE strived to enhance in-country communications, given the relative advancement of the program's work through the partnerships and consequently more tangible outputs to share. In each of the 2SCALE countries, an in-country replication event was organized to showcase the 2SCALE approach and how its application has yielded significant value chain improvements through partnerships over the past 10 years. Through these events, the program gained more public visibility of its work through the media and forged new partnerships to further the work.

At the country level, due to the additional support from interns, we were better able to support visibility through events and visual documentation. For example, in Mali the specifications to regulate vegetable production in the country were launched. This system came about because of the Informal Change Alliance in the SCS partnership. In Ghana, on International Rural Women's Day, the business champion in the Tamanaa partnership organized a business pitch challenge to encourage innovation among women rice producers. The program was able to gain meaningful media coverage that further amplified the work being done.

4. Finance



The 2SCALE Supervisory Board approved the draft budget for 2022 during the SB 12 meeting in October 2021. DGIS approval followed later. However, the program revised the budget and discussed at the SB 16 meeting in July 2022. The budget was set for 11,732,005 euro. In 2022 the program used (based on audited financial figures) 93% (10,896,357 € euro) of the revised budget (see Table 3 and 4 for summary of the audited financial figures). More details are provided as a separate annex (Audited financial report) that can be used independent of the Annual Report.

The program has an underspending of 835,648 euro. More than 70% of the underspending comes from the staffing cost budget categories. This is due to three major reasons:

Staff turnover in 2022: 2SCALE staff is highly trained and much sought after in the 2Scale countries, which is a compliment to the program as well as a challenge. All positions that were vacated in 2022 have since been filled and the 2SCALE PMT and SB are developing retention strategies.

Significant depreciation of local currencies in 2Scale countries (depreciation also negatively affected the burn rate reported in Euro figures): Exchange rate volatility in 2SCALE countries had a considerable impact on the cost to program Euro funds. 2SCALE and the IFDC accountants are discussing strategies to improve forecasting given recent and expected market volatility.

Extended sick leave of two senior team members: Staff well-being is of paramount importance to 2Scale and two senior team members were placed on extended sick leave while colleagues ensured continuation of program activities. During the extended sick leave the cost of employment was covered by IFDC and not charged to the 2Scale program, to ensure value for money of donor funds.

Lessons-learned from this year's underspending on staffing and implications for future programming include active adaptive management. Though most of the staff who resigned did so for better career growth opportunities in other institutions, the program can internalize such opportunities to improve staff retention rate. This would entail coaching/tutoring/mentoring staff early on in identifying career growth paths within the consortium and charting concrete steps towards reaching those goals. Furthermore, IFDC is also conducting another round of Birches group assessment to review and update compensation packages that are competitive in the labor market. Pegging such packages to the dollar or Euro may alleviate some of the issues related to exchange rate variability and inflation.

Program Budget depletion (Categories)	Planned budget in euro	Actual utilization in euro	Percentage utilized against the planned amount	Percentage of the cost category from the overall amount utilized in 2022
Staff Cost	5,218,375	4,724,170	91	43.3
Activity cost	4,411,436	4,137,347	85	38
Direct cost	895,140	1,012,726	113	9.29
Indirect cost	1,207,054	1,022,114	85	9.38
Total	11,732,005	10,896,357	835,648	

Table 3: 2SCALE 2022 program budget and depletion

Program Budget depletion (Partners)	Planned budget in euro	Actual utilization in euro	Percentage
IFDC	6,117,005	5,439,445	89
SNV	3,950,000	3,714,138	94
BoP Inc	1,162,000	1,173,472	101
PrC	503,000	569,302	113
Total	11,732,005	10,896,357	93

Table 4. 2SCALE 2022 program budget and depletion by consortium members

To accommodate the underspending of 2022 in 2023 work plan, PMT has identified additional activities. The program will submit a revised budget for 2023 during the upcoming SB meeting of July. SB will receive a list of proposed activities early May to also be formally approved in July.

The program was able to mobilize 17.34 million euro as Private Sector Contribution (PSC). This is much higher than what was planned at the start of the year. Thus, the program was able to leverage more than one Euro as PSC for each euro spent by the program. Majority of this PSC was leveraged from Business Champions. SMEs and POs also contributed significantly this year.

On top of the PSC, the program was able to broker an additional 31 million euro using different financial inclusion strategies including formal financial institutions, value chain financing, VSLAs and Internal capitalization.

5. Annexes



BoP Marketing

Many activities took place under BoP marketing for the program portfolio. As illustrated in the main report under program results, 40 partnerships reached BoP consumers with nutritious products. Below are brief details on the work done.

Collaboration with business champions on nutritious product development and improvement of existing ones.

In 2021, we focused on insights research to help inform champions on current market trends and needs. Results from those market studies were used for product development in 2022. Since we understood that some business champions did not have a clear and dedicated focus on nutrition, we focused on increasing their awareness. As planned, 2SCALE forged partnership/collaborated with specialist research institutions / individuals in partnership countries to ensure product development was achieved with the help of professionals.

The program's goal is to ensure that our BCs put nutritious products into the market. Therefore, in 2022, our partnerships successfully developed 23 nutritious products. These are from entirely new products in several variants as well as modification of existing ones. The next steps will be to expand market reach through various for these products to increase sales.

2SCALE Ghana contracted the Council for Scientific and Industrial Research (CSIR) to support Tamanaa and KEDAN in the development of product variants. Similarly, the cassava PPP (Cote d'Ivoire) supported Ecoforp by connecting them to Nangui Abrogoua University to carry out nutritional analysis on its new 'Battiece Bonne Sante' and Attieke Super ranges. The cassava PPP also supported Ecoforp in the proper analysis of various cost elements to address new product pricing. The Ethiopian Food and Nutrition Society is also linked with Ras Gaint to support the new product development.

These new formulations have improved the quality and value of nutrients and revenues for the consumers and producers respectively. Huge impact in terms of product development were recorded in the poultry and cereal partnerships in 2022 for all the countries. Chico Meat in Ethiopia availed two poultry variants to market and sold them via roadside sales in collaboration with a local small and medium enterprise (SME). Likewise, the 'Akoko' Tasty brand of chicken pre-cuts (Ghana) received Food and Drugs Authority (FDA) clearance for commercial activities in 2022. The poultry PPP (Cote d'Ivoire) also supported cooperatives of farmers in San Pedro and Korhogo to introduce chicken cuts and smoked types to the market.

Sweet n Dried (Kenya), through 2SCALE contracted a nutrition scientist to develop six new variants of

porridge mixes. These included weaning, diabetics, family, sour, school children and toto mix. The new and improved vitamin A fortified Gari, Fufu and Custards were also brought to market in Nigeria through the 2SCALE partnership with Cato Foods.

As part of product development, a major focus was also on hygienically improving on the work of women micro-processors within the partnerships in rural communities. This activity was heavily championed through sorghum partnership in Nigeria. The partnership organized training on processing hygiene, food safety, packaging/branding towards improving competitiveness of 200 women micro-processors.

In terms of the cereals, 2SCALE Ghana supported Faranaya partnership to diversify from sorghum aggregation into blend processing. In this regard, a medium sized cottage processing plant was built and launched during the period under review. The soy partnership (Keitala Negoce) in Mali also launched (6) soy-by-products in November 2022 with the aim to reduce malnutrition amongst BoP consumers in Mali, especially Sikasso. Again, on the cereals, a vibrant farmers' cooperative of the Maize syndicate partnership in South Sudan launched their excellently packaged maize flour. The launch of this product will increase affordable but hygienically produced maize flour in eateries and homes for low incomes consumption.

Create appropriate branding and packaging.

Based on the insights collected in 2021 for partnerships focusing on new product development, 2SCALE worked with business champions on translating these insights into inspiring branding and packaging for BoP markets.

In Ghana, the Rockland poultry PPP saw the conclusion of its package and labelling acceptance by the Food and Drugs Authority and Ghana Standards Authority. It took a year and some months to conclude on the package and labelling (branding) for the 'Akoko' Tasty package of Rockland chicken pre-cut. Rockland Meat now has on the market (10kg) package, and another (1kg) is far advanced to be launched to deepen BoP patronage. It was observed that packaging and branding with respect to chicken products came with a lot of huddles and challenges. Key amongst them were labelling, brand name choice and halal processes. Under the poultry partnership (Cote d'Ivoire), three (3) poultry cooperatives were supported to create visual brand identities for purposes of behavioural change campaign and market activations.

Another key success attained was the branded bags of syndicated business champions Nzara and Eden cooperatives in South Sudan for their maize flour which were launched in December 2022 in Western Equatorial state. The other partnerships that

generated new or improved packaging for products included NanAlim, InnoFaso and Nebnooma (Burkina Faso).

Facilitate Market Activations

Many market activations were conducted in 2022. We were able to conduct 28 market activations across the various PPPs compared to the 15 planned for the year.

Some of the partnerships took advantage of the yuletide to conduct mega activations to ensure extensive patronage. As an example, the poultry PPP Cote d'Ivoire via SCARP organized its mega fair from 23rd to 31st December under the theme "the 7 poultry days". The fair, which brought together poultry farmers, eateries and other allied partners led to more than 3,400 consumers in attendance and over 18,000 chickens sold respectively. The fair, which brought together poultry farmers, eateries and other allied partners led to more than 3,400 consumers in attendance and over 18,000 chickens sold respectively. Similarly, in Dakpadou, in the PEA of San Pedro, 2SCALE supported the organization of its festival Les Grillades which generated huge sales revenue of 25,000,000 FCFA in (2) days.

Similarly, Cato Foods in Nigeria held a major activation in Bodija market to create awareness about its vitamin A fortified Gari and Custard products in Oyo state (Ibadan North). The event was also used to further identify new distributors and retailers. Elsewhere in Kenya, Equatorial nuts processors received support from June to December 2022, through a contracted BTL marketing agency to develop market for their porridge flour, Narisha. The activities included sampling at supermarkets and hospitals. Trade development to enhance product distribution was executed in three regions (Nairobi, Kisumu, Nakuru). Three thousand nine hundred and two (3,902 kgs) of Narisha porridge flour was sold to the BoP market. Eighteen (18) youths (9M,9F) were involved in the sampling and distribution in the retail trade.

An innovation in the way market activation is done was initiated and implemented in the Tamanaa and Rockland partnerships in Ghana. It was given the name 'complementary' activation because of its complementary nature to the desired outcomes of the activation. The 'complementary' activation refers to situation where the products of one enterprise complements the other and hence makes business sense to do a conjoin activation instead of an individual scenario as we normally practice as project. In the scenario of Tamanaa-Rockland 'complementary' activation, Tamanaa rice (Nasia star) complemented the Rockland chicken (Akoko Tasty). Thus, rice is suitably taken with a good blend of chicken which meant that BoP consumers were opportune to good blend of offer on spot. Apart from the balanced nutrient or variety offered to BoP consumers, it's also a smart way to promote and sell BoP products and increase sales. This novel

approach would be replicated in other partnerships with potential of complementarity.

Facilitate Last Mile Distribution

To ensure low-income consumers at the last mile are reached, the project supported some business champions to establish distribution strategies to reach their customers. CME Poultry partnership in Ethiopia opened (6) sales outlets in 2022 close to consumers to create ease of product accessibility. They also collaborated with an SME and rolled out a kebab roadside sales model in Hawassa town which was replicated in other towns in Ethiopia. 2SCALE under the FCW PPP (Nigeria) supported Friesland Campina Wamco to access remote communities with nutritious dairy products through the engagement of Fulani women cooperatives. The partnership facilitated engagement with the women cooperatives in Kwara, Oyo and Osun states. However, the surge in the company milk price has led to a decline in terms of participation of the women cooperatives as they are unable to buy milk in large volumes to retail.

In Mali, Translait established mini-distribution centers to bring local milk and its derivatives closer to BoP consumers while increasing sales in the local market. These mini depots are essential in enabling easy movement of the milk to consumers. To further deepen access to BoP consumers of dairy products and fresh milk, Translait through a local manufacturer produced (20) branded pushcarts for use by milk resellers. Translait is now engaging local authorities to identify new sales points to expand. Like the Translait sales points expansion, Nebnooma in Burkina Faso also engaged in new prospection in Ouagadougou, Bobo Dioulasso and Koudougou.

The poultry partnership in Ghana (Rockland Meat) also rolled out a community youth in poultry pre-cut business model in towns close to the factory. This model enabled young women in the community to sell Rockland chicken pre-cut whiles also assisting more BoP consumers to access meat and eggs. The model involved partnership with women grocery sellers and provision of branded ice chest, umbrella and (2) crates of eggs as support items to enable them take off smoothly.

Also, in Ghana, an online market platform has been developed as part of measures to improve product distribution to ensure PPPs have markets outside of their traditional distribution zones. GhanaFie food (Ghana-grown foods) is currently being tested in PPPs for BCs and SMEs. Tamanaa, Rockland, B-diet, Mariam Special Snacks, KEDAN and other brands are available on the platform.

Develop Behaviour Change Campaign

Misconception is one of the main barriers hindering the patronage of products and services. This issue is even prevalent in the low-income markets where illiteracy and all manner of 'beliefs' are held high. Based on the level of misconception and beliefs pertaining to some of the products, there was the

need for strategies to demystify and drive acceptance of those products. A typical product that fell within this situation was poultry meat consumption generally in Africa. Most African countries have a poultry meat market that is dominated by foreign imported brands. Hence, penetrating this kind of market means also that behaviours, opinions and misconceptions must be re-aligned or changed. There were (5) behaviour change campaigns as planned focused on healthier diets carried out by poultry PPPs in various markets. In Cote D'Ivoire, the farmer cooperatives were supported in an outreach to selected sales points for sensitizations on values of chicken consumption and recipe ideas. This activity resulted in expressed collaboration interest from (7) new eateries with SCARP farmers' cooperative.

The Rockland Meat in Ghana sought to use products 'freshness', and 'wholesome taste' as behaviour change communication tool to reduce the potential psychological low price perception comparative to local poultry amongst Ghanaians. Several social media posts on Facebook and LinkedIn sought to use behavioural change communication that emphasizes on product freshness, Ghanaian origination and wholesomeness to position its product as healthy, despite the price weakness against the imported brands. The message as well as visuals were well selected to reflect this position on various medium, communication materials and during activations.

Chico Meat Enterprise in Ethiopia used a lot of behavioural change communication around healthier diet to influence BoP consumers. The campaign used an integrated approach, where various strategies were deployed. Key amongst the strategies used were digital platforms, promotional materials, communications and brand development. Most of the digital contents made use of educational videos to drive the health aspects of the product.

Despite the effort made in 2022 with the behavioural change campaigns, there is the need to double our effort at influencing change in consumer behaviour towards home grown/processed products.

Private Sector Development

The following activities were undertaken to ensure that partnerships are strengthened including equipping micro entrepreneurs for sustainable growth.

1.B-Impact Assessment

The B-Impact Assessment is a social and environmental impact certification designed for small and medium enterprises. It certifies SMEs as socially and environmentally responsible to their internal and external stakeholders as well as the environment per their operations. The certifying organization is the B-Corp. The certification process is lengthy, but we have made good progress based on the new strategy of engagement with the enterprises (BCs). The target is to get at least three enterprises into the validation and certification stages by the end of 2023.

A total of (15) BCs were targeted. Upon further review, it appears to be an ambitious target which may need review in 2023. Many are at 86% in terms of the process which we hope to help them conclude in 2023. The process of certification itself is quite cumbersome and practically impossible to materialize within a short space of 1 year. It is also important to note that, each stage of the certification processes, specifically after the validation comes with some knowledge acquisition on the part of the businesses in the areas of their enterprise operational responsibility towards the environment and social needs. The certifying body during validation does some checks and balances on how the enterprises are structured and operating to satisfy certification. In that process a lot of knowledge is passed on to the enterprises.

2.Organise in-Country Business Champion Gatherings

The program often finds creative ways for partners to dance together to promote networking which is an essential part of business development. The 2SCALE replication and 10-year anniversary events held in-country provided an opportunity to bring BCs together while celebrating the achievements of the program. Six countries held this event where, among other things, networks and partnerships were built among actors and BoP products exhibited.

Another creative way that this was implemented was during the end of year reflection workshops. country teams included some actors and partners in the reflection session where they all got a chance to receive feedback essential for strengthening relationships with partners as well as exposing them to what other actors and partners are doing in different value chains that 2SCALE works in.

Lastly, during the year, the program supported BCs in participating in trade fairs and exhibitions in-country like the IFDC open door events where BCs were invited to showcase their products and network. In Ghana, the exhibitions involved bringing the various BCs to exhibit their products for synergies within and without (public). The inter partnership trade entailed PPPs in Ghana complementing each other in the utilization of their end products.

3.Conduct BMC Sessions

Four BMC sessions were planned for 2022. The program was able to implement half of that in Cote d'Ivoire and South Sudan. In South Sudan, the impact of the BMC workshop was felt immediately as the maize partnership with Kanybek saw its sales

improve. This was a direct outcome of the BMC session where last mile distribution of their current bread was strengthened. After the BMC session, the management immediately recruited additional distribution points which gave them access to more customers and immediately increased their sales. The other 2 BMC sessions did not happen due to changes like exits and discontinuation of partnerships as mentioned above in program challenges.

4. Trainings for Micro-Entrepreneurs

The reporting period has seen numerous entrepreneurship training done in the different partnerships in various project countries. Training was done for actors around many topics within the project commodity value chains. These include BCs and their staff, BSS' (and coaches) as well as youth and women active in the value chains.

In Ethiopia, capacity building training was provided for both Awash Olana and Arba Gugu FCUs and Business Support Service providers. The training was facilitated by Arsi University for (2) BSS covering a wide range of themes aimed at enhancing their capacity in horticultural marketing. In Nigeria, a (2) days capacity building training was undertaken by 2SCALE for the marketing and sales staff of Cato Foods at Ileogbo, Osun state. The aim of the training was to acquaint the staff of Cato Foods

with strategic marketing in scaling products for BoP consumers. The training touched on specific topics such as marketing & distribution, supply chain management, inventory management and basic data analysis. Similar training of this nature and others in ABCs' capacitation were carried out amongst most of the other partnerships.

In Niger, life skills and entrepreneurship training for young people meant to ensure their inclusion in project value chains was conducted by (16) community coaches. This training built the capacity of (185) young people, including (129) females and (56) males. There was a follow-up by community coaches to further support those that started activities based on the training received.

In Burkina Faso, (262) youth were trained in compost making as a business and further connected them to a network of potential markets. The training participants consisted of (173) males and (73) females and was held in Bobo, Banfora, Orodara, Toussiana and Karangasso Vigue. There was another training to improve the entrepreneurial skills of pulp processing unit via sharpening their skills in quality and standardization processes. The aim was to assist the processors follow the due process required for product certification.

Gender and Women Economic Empowerment

Fostering change to achieve gender equity and women's economic empowerment can be done from multiple complementary angles. The strategy used by 2SCALE focuses on four main approaches: (i) capacity building, (ii) negotiated benefits, (iii) collective action, and (iv) systemic change.

Capacity building entails activities done to reinforce women's knowledge and skills to become more competitive and to therefore negotiate their own terms of inclusion. These negotiated benefits can foster women's leadership and empowerment through advocacy and community support toward the growth of their initiatives.

Collective action involves women and men coming together to have access to services and products that would have been difficult to access on an individual level.

Systemic change is the result of implementing the above approaches in a consistent way, leading to changes in women's, men's, and communities' understanding and dedication to taking steps toward more inclusive and fair treatment of all in business as well as in society.

For example, the trainings in Burkina Faso, Côte d'Ivoire, Ghana, Kenya, Mali, and Niger and to identify opportunities to create revenue-generating activities and the Aya 2.0 trainings and good practices in production and processing activities tapped into 2SCALE's capacity building know-how to promote women's economic empowerment.

More women were seen discussing win-win contracts with potential buyers in Ethiopia, Ghana, and Niger and making the goals for attaining negotiated benefits. Women-led VSLAs and group credit application were done at the ABC level and for MSMEs with strong cases in Kenya and in Burkina Faso.

Signs of systemic change have been observed in Mali and in South Sudan, where positive changes have been noted in women's entrepreneurial spirit and their business practices.

When it comes to in-depth impact in sustainable inclusiveness, the gender equity and women's economic empowerment strategy's four main domains were aligned with 2SCALE's intrinsic values. For instance:

- Deliberation: Have transparency and growth-promoting structures been put in place within actors' dealings

for more inclusiveness?

Proof of impact at "deliberation" level: Women in the Faranaya sorghum partnership in Ghana are fully integrated in decisionmaking. Dealings are transparent and prices for producers, processors, distributors, and input dealers are voted on, agreed upon, and followed by all both men and women, leading to similar benefits from their business dealings.

•Alignment: Have actors aligned their business models to facilitate business with each other (champions, SMEs, micro-entrepreneurs, and BSSs)?

Proof of impact at "alignment" level: To facilitate women parboilers' access to rice and to markets, the business champion Nebnooma in Burkina Faso decided at the onset of the partnership to integrate parboiled rice made by women's associations into his product line. In 2021 and 2022, he supported the cost of transportation and facilitated the delivery of parboiled rice from their processing sites in Dande and Bama, a couple of kilometers from his processing site in Bobo Dioulasso.

•Fitting: Are champions' and major actors' principles and interventions contributing to improving the business environment and local food system policies?

Proof of impact at the "fitting" level: In Mali, the Translait milk partnership has made major headway for women by not only reestablishing the importance of milk-based products through sensitization and tasting campaigns, but also empowering them with good production practices to sustain their activity on milk processing for nutritious local recipes. The Tegemeo partnership in the sorghum value chain in Kenya has also undertaken fitting activities to facilitate women's inclusion at the production and processing levels.

•Transformation: Are actors contributing to transformation of food systems with a specific and appropriate list of actions that lead to new practices in the sector.?

Proof of impact at "transformation" level: The BIOPROTECT and SCS vegetable (partnerships in Burkina Faso) and Damascene spice partnership in Ethiopia have been undertaking elements of food system transformation by making agroecological products the center of their campaign.

They have also brought more awareness to the possibility and importance of making the most out of small spaces to grow food. These are youth- and women-friendly revenue-generating activities that are progressively contributing to the adoption of new practices for sustainable and environmentally friendly food production.

With 2SCALE at its exiting stage, some women and men trained with the newly developed modules for micro-entrepreneurs (Aya 2.0) in the Siguida Yelen (rice, Mali), Kanybek (maize, South Sudan), Mooriben (millet, Niger), Siatol (soybean, Burkina Faso), Locagri (rice, Côte d'Ivoire), and Okomu (palm oil, Nigeria) partnerships were identified as ambassadors. Aya ambassadors are men and women interested in undergoing training on gender equity and women's economic empowerment so they can continue training other women. This is part of putting in place a sustainable system for women's support, as 2SCALE will therefore facilitate them to take the lead in gender equity and women's economic empowerment.

With its easy to incorporate approach, activities have been able to contribute to 2SCALE's mandate for impactful and change-making thought processes and application toward more inclusiveness, fostering economic value for all.

Youth Inclusion

Enhancing country team capacity to facilitate youth mobilization, identification, profiling, and selection

The Youth Inclusion team assisted country teams in Burkina Faso, Côte d'Ivoire, Mali, Niger, Nigeria, Ghana, Kenya, and Ethiopia in mobilizing and positioning youth in respective partnerships. This activity resulted in an increase in the number of youth joining producer organizations, agribusiness clusters, and other farmer structures as members, service providers, or other value chain actors. Youth were also encouraged to take on leadership roles in farmer organizations and ABCs to take advantage of identified employment and business opportunities. Youth were mobilized, selected, and equipped with relevant tools in dairy partnerships in Nigeria, Kenya, and Mali to better understand how to become successful dairy entrepreneurs. This assistance contributed to improved milk quality and access to improved fodder and feed in the partnership, highlighting the fact that youth are willing to take up micro-entrepreneurship to improve their livelihood and support the champion's business ambition. Next steps include strengthening support and encouraging youth to use available animal feed resources, developing a related business plan, and identifying relevant animal feed companies to expand their business.

Training of ABC and BSS coaches and other trainers to reach to more youth

2SCALE trained ABC and BSS coaches in the respective ABCs to reach, scale, and position more young people to benefit from employment opportunities identified at partnership level. These coaches work with youth groups to establish or join existing agribusinesses enterprises linked to identified opportunities and provide required facilitation for them to access inputs, equipment, technical training, and finance through youth saving programs and linkages to formal financial service providers for access to micro-loans. Coaches also provide guidance to youth through consistent coaching and mentoring for scale and sustainability. Additionally, they provide exposure to workforce development by providing youth with technical skills, and apprenticeship opportunities. In Kenya, they facilitated youth youth-led last mile input distribution system as an innovative business model in which the youth offer access to quality inputs and information on how best to use them to smallholder farmers.

To address capacity gaps related to their business interactions with the business champion and other value chain actors, 2SCALE offered youth customized training on life skills and business development utilizing a new youth training manual. To prepare ABC and BSS coaches for the newly created life skills and business development curriculum, a training of trainers was organized in each participating country. In total, 331 youth coaches (including 48% women) participated and cascaded trainings to 4,425 youth. The new curriculum focused on the following learning modules: Climate Change and Employment/Green Business Innovation, Business Value Chains/Agribusiness is the Future, Critical Thinking for Overcoming Obstacles, Resilience as an Agribusiness Entrepreneur/Qualities of an Entrepreneur, and Budgeting Basics/Saving for My Future.

Enhancing youth digital skills in agribusiness by deploying the new 2SCALE Youth Digital Platform

2SCALE developed and deployed the Youth Digital platform to address capacity gaps and strengthen youth positioning for employment and income in targeted PPPs. This platform provides digital training for both young people and their coaches for francophone and anglophone audiences, as well as youth networking and peer education.

Pursuing youth coaching and monitoring of partnering youth-led enterprises: Positioning skilled youth workforce for agribusiness partnerships

To provide the necessary assistance for youth-led MSMEs, a new coaching manual was developed and implemented in 2022, employing a network of coaches who received ABC or BSS training. Coaches provided guidance and enhanced technical skills to young entrepreneurs who operate as self-employed silage and fodder service provider entrepreneurs in Kenya, Nigeria, and Mali. Youth were trained in the use of farm mechanization tools and equipment, including mechanized spray service provision, in Nigeria, Burkina Faso, Kenya, and Mali. Other areas of youth coaching and positioning include coaching and technical support for youth to serve as agribusiness product ambassadors, providing employment and entrepreneurship opportunities such as planting and threshing service provision, input sales, seedling growers, irrigation kit installation, aggregations, micro-processing, extension service provision, payment services, animal feed formulation, community livestock workers, harvesting, post-harvest handling services, stem growing, and BoP sales and marketing in all participating countries.

In total, 25,126 off-farm jobs were created, 7,724 young entrepreneurs were able to benefit from business relationships with agribusiness partnerships, and 3,210 youth-led MSMEs/young entrepreneurs had access to additional financial services and products, including participation in savings programs. A total of 101,366 young small-scale farmers, including 54,233 young females and 47,133 young males, benefited from additional financial services and products in targeted PPPs. As a result, youth-adult linkages and networking were improved, including their abilities to negotiate better business deals with business champions; quality products

were distributed by young entrepreneurs; and young entrepreneurs are improving digital skills (through a new digital platform developed and deployed) to address major skill shortages and market linkages in their respective partnerships and value chains.

2SCALE organized a webinar to showcase International Solidarity in Agriculture Partnerships in honor of 2022 International Youth Day. Eighty people attended the webinar via Microsoft Teams, with additional people joining via social media channels. The discussion focused on young people's experiences working with and engaging with adult/elder generation agribusiness champions, including the benefits for employment creation, and other key challenges. Participants also developed solutions and proposals to improve working relationships between youth and other farmer generations in the agriculture sector. Lessons learned include:

- Youth-led MSMEs need more consistent coaching and support to grow and become sustainable.
- Mechanization and digitalization in PPPs will facilitate and accelerate youth adoption of new agriculture innovations.
- Youth need more technical support and facilitation to comprehend the functionality of value chains and the various activities therein, other than farming.
- Private sector contribution for youth engagement and employment is possible when they see the value addition youth can bring to their business.

Key Results from ABC strengthening in 2022

It is early to determine the results of the capacity building intervention implemented in the second half of 2022, as the first half of the year was invested in finalizing the recruitment of the local consultants. However, there are promising early signs of results from the effort put in to building the soft skills of ABC coaches. The following examples highlight the improvements documented by some PPPs.

a)Improved competitiveness of Producer Organizations as an anchor of ABCs

Because of the capacity built, coaches supported producer organizations in Ethiopia to improve their business competitiveness. Coaches were capacitated on customer-oriented service delivery, marketing, and leadership. By applying these skills, coaches improved the business orientation of the producer organizations, aggregation performance, amount of savings, and bookkeeping standards. An example of this is a cooperative working under the Ras-Gayint PPP, Birhan primary cooperative, which had not been aggregating beans but managed to aggregate 248 quintals in just a quarter of the year. In addition, the cooperative mobilized savings of ETB 687,000. In the Kesem PPP, a primary cooperative called Chele tripled its aggregation performance in a quarter. What is most promising under the partnership with Kesem is that professionalization of the producer organizations to improve their competitiveness was implemented the same year. Six business managers were recruited for the producer organizations. These managers also took part in the capacity building program. These producer organizations have significantly improved in terms of business management, finance, and property management. The improved management of the business improved the capital base through mobilized savings, and improved aggregation performance shows the improved competitiveness of the producer organizations. This feeds the business champions with an improved supply of raw materials to source.

b)Improving the business performance of enterprises in ABCs

Under Kesem PPP in Ethiopia, the business champion works with women-owned microenterprises to reach BoP consumers. These women are involved in processing teff into injera. As part of the ABC, these microenterprises originally supplied limited injera to restaurants. Through the support of ABC coaches to co-create diversification of the target market, these enterprises have now diversified their market, helping them to increase their turnover. This has enabled the microenterprises to improve their business performance from 200 injera to 500 pieces per day. This has enhanced the reach of the business champion to BoP consumers through its connection with microenterprises. These microenterprises get the raw material (teff grain) from the champion on credit, which has helped them go into business and avail quality injera to low-income consumers.

c)Enhancing business relationships/collaboration and developing interdependence

Most of the developments mentioned above are attributed to the ABC coach capacity building. This also translates as the facilitation of collaboration among actors and creation of awareness by the coaches at various levels. For example, the bean PPP in Ethiopia constituted primary cooperatives with multiple purposes (aggregation and input distribution), savings and credit, and seed multiplication. However, before this intervention, though all were partners in the partnership, all functioned independently and were not synergized. Through the cyclical intervention of ABC coach capacity building, a spark of interdependence is initiated. This has already started to yield significant contributions to the competitiveness of the cooperatives that these partners started to support synergistically. This further requires building their collaboration to bolster and ensure a mutually beneficial relationship is created.

Emphasis was placed on the importance of building relationships with farmers and other actors in the MDU and Tegemeo PPPs during the coach capacity building sessions. Collaboration and networking will ensure each actor plays their role toward improving and sustaining production. The cooperative management present during the capacity building sessions committed to better liaising with MDU to obtain the services provided in artificial intelligence, extension, and farmer training. Some of the cooperatives committed to work on bringing on board Service Provider Entrepreneurs (SPEs) and veterinary officers to ensure their farmers are trained in silage making and animal health.

d) Improved support to ABC actors

After the capacity building of ABC coaches, monitoring and support of the intervention is improved, according to the reflections gathered from them during the review workshop. In Niger, because of the training, coaches better understood their role and started to enhance their support to the ABC actors. This is an encouraging outcome that confirms the worth of the investment made in 2022 to develop the capacity of coaches in terms of their capability to support and bring the change expected from the ABC actors.

e) ABC Restructuring

The Tegemeo PPP had 18 clusters in Tharaka Nithi County. However, the clusters were merged into 11 clusters by the coaches themselves because of the exposure visit they made to the Adefunke-Desh partnership in Nigeria. In June, during the ABC team visit, these clusters were further restructured into nine ABCs with seven ABC Coaches.

Conclusion

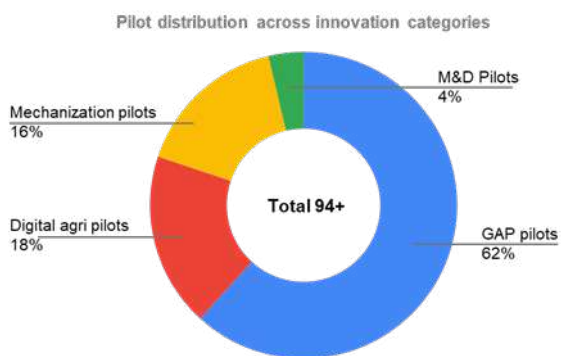
ABC coach capacity building conducted in 2022 highlighted the vitality of coaches' capacity building to cement the foundation of commodity value chain. Coaches are the ones who provide last-mile business support service for ABC actors. Their capacity in hard and soft skill and attitude is critical in bringing inclusive agribusiness development at the grassroots level. Usually, the Annual Action Plans address the hard skills required to make the changes happen: what it requires how to bring about the aspired changes. It is the how that this specific capacity building is addressing. Further, the intervention in 2022 has proven its impact in terms of enhancing the service delivery capacity of the coaches for ABC actors. Lessons on improving the cascading of the knowledge acquired, networking of ABC actors, organizing farmers into cooperatives, and addressing the capacity differences of coaches at different levels were learned from the intervention in 2022. Hence, for 2023, countries will be supported and advised to continue the action learning cycles of coach capacity building (especially the field coaching) to strengthen their business support provision to ABC actors. In addition, facilitation of networking and creating linkages among ABC and other actors is vital. These all will enable the program to develop robust ABCs around the PPPs and, in the end, strengthen the foundation for thriving value chains.

Loyalty and supply chain coordination

2SCALE enhances the partnering capacities of local actors to engage in and benefit from a sustainable inclusive business for food and nutrition security. Among the four partnering capacities, alignment is the capacity to match the lead actor's business model with the needs, interests, and conditions of less powerful value chain actors, to integrate and work for them. This calls for continuous development of the negotiation capacity of actors, especially considering the interests of those with less voice and enhancing their loyalty in business relationships. In 2022, capacity building on negotiation and loyalty skills was provided to all PPPs in the program. Depending on the needs of the partnership actors, ABC coaches received cyclical capacity building on loyalty and negotiation skills. Following the training, the ABC coaches facilitated business negotiations between actors and developed their negotiation capacities for sustained business relationships. Furthermore, as this thematic area involves facilitating the smooth flow of information and products, digital systems were also introduced in 2022. For example, Faranaya, in partnership with Guinness Ghana, is piloting a digital platform to modernize information flow and inform business decisions. PPPs also face loyalty-related problems, such as side selling once business relationships are arranged. A plan to strengthen loyalty is vital in such circumstances. For example, for Friesland Campina WAMCO PPP in Nigeria, a concept was developed to enhance the loyalty of milk suppliers and engage in a consistent milk supply; this will be implemented in 2023.

Inclusive Green Innovations

The introduction and piloting of on- and off-farm green innovations continued in the program to drive adoption, scaling, and replication of innovations in all active partnerships, including the pilot PPPs in Egypt and South Sudan. A total of 94 innovations have been introduced or piloted in all the partnerships. These innovations include good agronomic practices (GAPs), digital innovations, marketing and distribution innovations, and mechanical innovations.



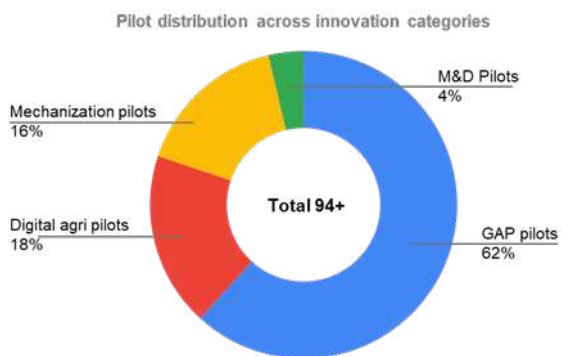
platforms, and weather advisory services are some of the digital innovations deployed to improve the supply chain coordination in target PPPs and thus reducing transaction costs, fostering access to information and inclusion of vulnerable groups, and reducing the power asymmetry in some PPPs. These innovations improved the transparency and good business ethics in the PPPs.

Mechanical innovations introduced included digitally driven tractor services, drone sprayers, and crop monitoring services; bullock service provision for land preparation; smart brooders, solar-powered milk collection centers and cold rooms; solar irrigation systems; motorized planters and sprayers; and processing machines and equipment. These mechanical innovations improve efficiency in on-farm and off-farm operations and improve and safeguard produce quality and productivity. Marketing and distribution innovations focused on those with the capacity to improve access to products and services by the BoP consumers, such as e-commerce platforms, climate-smart and refillable packages, and refill models or dispensers for cooking oil retailing.

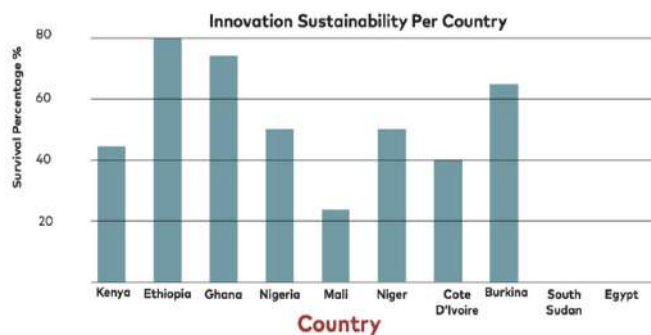
A. Categories of Innovations and spread across countries

GAP innovations comprised 62% of all the innovations introduced and adopted in all PPPs. These innovations are intended to drive production and productivity at farm level, reduce post-harvest losses and the impact of climate change, improve soil and water conservation and protect the environment. The GAP innovations prioritized best climate-smart approaches at farm level. Some of these GAPs are use of climate-sensitive seeds and planting materials, cross-bred cows, crop- and soil-specific fertilizers, slow-release fertilizers, microdosing, biofertilizers and biopesticides, integrated pest management and soil management practices, and hydroponics for livestock feed production.

Supply chain management systems, digital credit and insurance, mobile money, training and advisory



B. Sustainability of Innovations



There is at least one innovation in each partnership in the program. The priority of the program in 2022 was to sustain previously introduced or piloted innovations and replicate and scale them within the first PPPs, in new PPPs, and in other countries. Not all the innovations introduced or piloted were sustained or scaled. More than 50% of the innovations in Ethiopia, Ghana, Nigeria, Niger and Burkina Faso were sustained from the first pilot between 2020 and 2021. About 15% of the piloted or introduced innovations were terminated for reasons including nonalignment with the value chain activities of target partnerships, size of investment required to drive the innovation beyond the support of the program, inability to identify the partner or champion of the innovation. This was the case for the climate-based information service provided by 52 Impact in Nigeria due to a lack of regional and sub-national capacity

or expertise to develop and sustain the innovations and the low scalability potential of the innovation. In the francophone countries, the majority of the innovations introduced are on-farm GAPs and mechanical innovations focusing mainly on climate-smart approaches. The portfolio in the francophone countries lacked a strong digital innovation base due the low availability of entrepreneurs driving agri-focused digital innovations.

The use of supportive partnership agreements has enabled the program to drive innovations by ensuring pioneers of innovations invest and lead the deployment and scaling activities. This approach improves the sustainability of the innovations and reduces the investment costs associated with introducing them at the program level. In Nigeria and Ghana, for example, Syngenta Foundation in the syndicate vegetable PPP and Ignitia in the Faranaya PPP have enabled the scaling of solar-powered greenhouses for vegetable seedling production and scaling of weather services replicated across four PPPs, respectively. The major green innovation priorities for 2023 are to improve the access to and adoption of digital innovations in the francophone countries by supporting digital innovation incubation hubs to emerge and scaling and deepening innovations sustainable innovations in the program.

Financial Inclusion

Finding Finance

Repaying a loan is difficult. Getting one is almost impossible – ask any small-scale farmer! Small farmers and rural entrepreneurs are often frozen out of the formal credit market for various reasons: lack of collateral, poor credit history, and (mis)perceptions of business risk, among other factors. 2SCALE provides training, advice, and business support to help these groups access finance from different sources, from banks to microfinance agencies to self-help groups.

Financial literacy

Every 2SCALE partnership includes farmer education on budgeting, accounting, savings options, and bank procedures. In 2022, the program rolled out a new financial literacy curriculum to better structure financial literacy training. In addition to conventional subjects such as savings, budgeting, and credit analysis, the new curriculum covers fintech, or digital and mobile banking using IT platforms like Calwide Solutions and LendXS.

Trainers composed of 2SCALE coaches, staff of microfinance institutions, and representatives of the VSLAs groups were trained on the new modules. They are now working with 2SCALE clusters, opening credit access and, equally importantly, improving repayment rates. For instance, in Ghana, the program set up a discussion forum with five sorghum clusters that had received input loans last season. Guidelines were developed on loan disbursement schedules, ceilings for individual loans, and group guarantors to ensure that every loan is repaid in full and on time.

PPP	2022						
	Total Savings (GHS)	Total Loans(GHS)	Number of People taking Loans by Sex				Total Number of People taking loans
			Female		Male		
			≤35	≥35	≤35	≥35	
GH09_Sorghum	1,232,780	1,040,609	403	1884	18	143	2,448
GH21_Maize	1,024,341	236,215	297	420	90	43	850
GH23_Soybean	1,844,126	958,946	636	605	303	254	1,798
GH24_Poultry	1,002,440	444,588	313	174	139	70	696
Total	5,103,687	2,680,358	1,649	3,083	550	510	5,792

Table 5: VSLA data for PPPs in Ghana

Grassroots savings

VSLAs, a tool used by 2SCALE, continued to grow. For example, in Kenya, a VSLA of women sorghum farmers collectively saved more than €7,000 for input purchases. Another group, women soybean farmers, saved €2,500 in their first year and used the money to pay premiums for crop insurance. In Nigeria, a women's dairy cooperative took a slightly different route. They set aside 10 naira per liter of milk sold. The savings are managed by a local microfinance agency and will be used to buy high-yielding crossbreeds next year.

Another option pioneered by 2SCALE is to provide farm inputs on credit, backed by multi-party arrangements to make this work. For example, in Nigeria, sorghum buyer Nestle, LAPO microfinance bank, and fertilizer manufacturer OCP collaborated to provide €95,000 worth of fertilizers on credit to 716 farmers (205 women). In Mali, BNDA bank disbursed input credits to farmers supplying a trading company. Input credits worth €442,000 have been disbursed to date.

The self-financing scheme by farmers is increasing ownership and participation by smallholder farmers in PPP activities. Invariably, this has increased their rewards in terms of income because of their ownership of businesses in the PPPs. The following table gives details of the value of savings and loans in the Ghanaian VSLAs.

Money for business

In 2022, 2SCALE directly facilitated access to loans worth more than €11.4 million. Some loans were very small, but even small amounts can make a significant difference to grassroots organizations. For example, in Côte d'Ivoire, loans from microfinancier CEDAICI have helped rice cooperatives grow to the next level. The Yerelon women's cooperative received their first loan, €3,000 for rice production. The Gbonkaha cooperative received €3,800 to buy threshers.

Loans to companies were much larger. In Kenya, two partner firms received nearly €800,000 for working capital. Sorghum processor Tegemeo received €45,000 from Equity Bank and €18,000 from the Transnational SACCO. Pro-soya received €25,000 from AgriFi and €35,000 from the Co-operative Bank of Kenya. In Ghana, Heritage Seeds received €40,000 from Advans Ghana Savings to finance procurement of seeds from its outgrowers.

Digital fintech

IT platforms are transforming banking, and 2SCALE is making sure small-scale farmers are part of this revolution. Two digital financial platforms were successfully piloted: Calwide in Kenya and LendXS in Burkina Faso, Kenya, and Ghana. Both platforms enable farmers to automatically deduct an agreed percentage from harvest revenue, save it in an electronic wallet, and use the money to purchase inputs for the next season. Calwide solutions has been a huge success for smallholder farmers. By December 2022, 22,758 farmers (11,589 women) were registered, and more than €2,321,000 transactions in payments and savings had been completed.



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