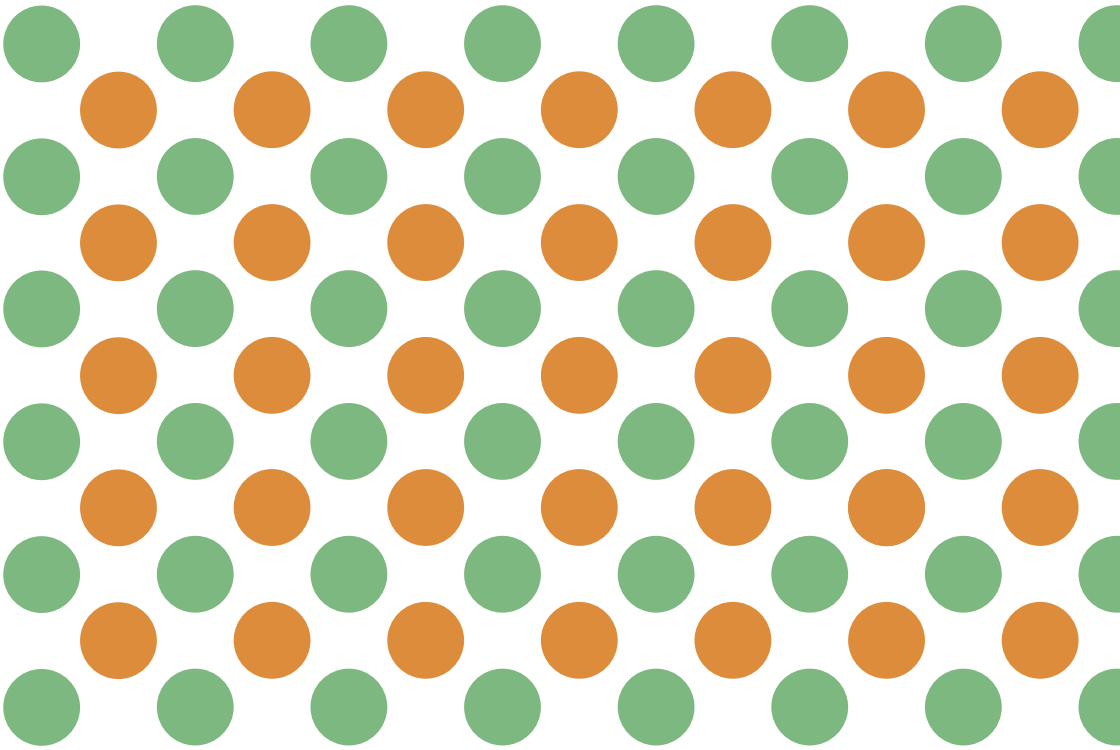
AIRTEA

Strengthening Agricultural Knowledge & Innovation Ecosystem for Inclusive Rural Transformation & Livelihoods in Eastern Africa

AIRTEA AGRIBUSINESS AND PRIVATE SECTOR TRAINING WORKSHOP

Consultancy To Test Agribusiness Learning Alliances (ABLA) Proof Of Concept Towards Enhancing The Economic Value Derived From Innovation Platforms



June 2024

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CONSULTANCY TO TEST AGRIBUSINESS LEARNING ALLIANCES (ABLA) PROOF OF CONCEPT TOWARDS ENHANCING THE ECONOMIC VALUE DERIVED FROM INNOVATION PLATFORMS

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Consultant: Dr. Robin Buruchara

In collaboration with

Eliud Birachi, Alliance of Bioversity and CIAT: e.birachi@cgiar.org;

Kwaku Antwi, AIRTEA Project Lead (FARA): kantwi@faraafrica.org;

Karen Munoko, AIRTEA WP3 Team Leader: kmunoko@faraafrica.org;

Hillary Cheruiyot, AIRTEA WP2 Team Leader: hillary@e-granary.com;

Joshua Okonya, (ASARECA), j.okonya@asareca.org

Submitted to: Dr. AGGREY AGUMYA, Executive Director, FARA,

FARA Secretariat

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Background

The Forum for Agricultural Research in Africa (FARA), in collaboration with the Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA) and the East African Farmers' Federation (EAFF), is implementing the ***Strengthening the Knowledge and Innovation Ecosystem for Inclusive Rural Transformation and Livelihoods in Eastern Africa (AIRTEA)*** project. Funded by the EU-ACP Innovation Fund through the Office of the *Organization of African Caribbean and Pacific States (OACPS)*, the project aims to contribute to sustainable agricultural livelihoods and rural transformation by fostering an inclusive innovation environment.

The AIRTEA project's objectives include strengthening youth and women's capacities in East Africa's innovation platforms, facilitating technology transfer, and improving profitability along agricultural commodity value chains. The project utilizes the Innovation to Impact Framework (I-IF) to drive an inclusive, science-led, business-oriented approach.

A key component of the project is the establishment of an **Agri-Business Learning Alliance (ABLA)** to co-create business solutions, strengthen entrepreneurship capacity, and enhance market access for women and youth. The ABLA approach will serve as a platform to integrate learning on business development, address constraints, and bring business ideas to scale. To support the sustainability of the AIRTEA 3rd party projects, a 3-day agribusiness workshop on business development was organized. The workshop aimed to empower participants and strengthen their capacities to contribute to the objectives of the AIRTEA project, particularly in supporting inclusive capacity development and business incubation along country priority value chains. Specific objectives were to:

a. Carry out a 2-day agribusiness training to support the establishment of Agricultural Business Learning Alliances (ABLAs) approach in project countries.
b. Engage third party projects to identify key women and youths with the required backgrounds and potential in business development support personnel.
c. Convene a one-day business consultative forum with the key stakeholders and industry players to discuss mentorship and sustainable, innovative funding for ARD businesses.

The workshop was held from 17th to 19th October 2023 in Nairobi, Kenya, with 33 participants, including consortium partners, representatives of third-party project members, operational IP facilitators, and private sector partners. Expected workshop outcomes included a database of trained business development service providers, knowledge products on business development support within innovation platforms, and a report from the workshop highlighting actions, commitments, and recommendations for applying agribusiness learning alliance principles for market access and financing.

Workshop Format

The workshop commenced with an introduction and background to the AIRTEA project, outlining the training's objectives and what participants could expect to learn. This foundational stage set the stage for developing a comprehensive and common understanding of the scope of the training and its relevance to the participants' work. An interactive and blended learning approach, incorporating PowerPoint presentations, hand-outs, practice sessions, and group discussions was used. Leaders of third-party projects shared their experiences, detailing progress, challenges in design and structure, and insights from implementing innovation platforms, focusing on their establishment, characteristics, and impact. This initial session provided a platform for understanding the complexities and opportunities within existing projects. Following these shares, informative presentations were made on IPs, ABLA, MSPs, and PABRA's multistakeholder and Corridor approaches, highlighting successful examples. These presentations prompted participants to review their third-party projects, highlighting gaps, propose adjustments, and plan their integration into ongoing activities. These insights were then circulated among other project partners and consortia for additional feedback

and contributions. The ultimate outcome was refined workplans and activities, serving as a foundation for evaluating anticipated actions and commitments towards leveraging agribusiness learning alliances for enhanced market access and financing.

Innovation Platform - Concept and Gaps

The workshop presented the concept of innovation platforms (IP), covering their establishment processes and key characteristics. Participants engaged with real-world examples and conducted self-assessments to measure how well their projects aligned with best practices for IPs.

The session highlighted existing gaps, providing stakeholders with a comprehensive understanding of why IP is crucial for addressing challenges within the agricultural sector, particularly along the value chain pathways. The presentations offered an overview of the issues faced by the agricultural sector, emphasizing the significance of employing innovation platforms to bridge these gaps and in driving agricultural innovation and development.

- The approach broadly follows a pathway involving three stages (indicated in the diagrams below). Defining / Identifying Agricultural Challenge: Some of the challenges identified include Low-risk equilibrium, low income, technological, limited input-output-credit market, poor information flow, limited access to credit, and poor natural resource management are the major challenges of the smallholder farmers in SSA. The fragmentation of the available knowledge to reduce transport, transactions, communication, and increased access to inputs, outputs, financial, and insurance markets to alleviate the smallholder farmer from poverty is crucial.
- Based on the Integrated Agricultural Research for Development (IAR4D) concept, a fragmented mass of knowledge is integrated in a way to result in a simultaneous infrastructural, technological, and institutional change to trigger economic development and change. This is implemented using multi-stakeholder Innovation platforms (IPs) to guide prioritization, IP management, and multistakeholder approaches and ensures that research translates into tangible impact.
- Integration at the interfaces will require activities along the value chains of commodities, Innovation Platform participation, research and extension participation, and simultaneous technical, institutional, policy, and infrastructural change to reduce risks, transport, communication, and transaction costs. These efforts require careful facilitation of multi-stakeholder partnerships, connecting stakeholders and providing essential information. For instance, actors such as research and extension institutions can develop and transfer technologies and knowledge to end-users, smallholder farmers can access innovations, the private sector can contribute to business development, and policymakers can obtain crucial field information for informed decision-making.

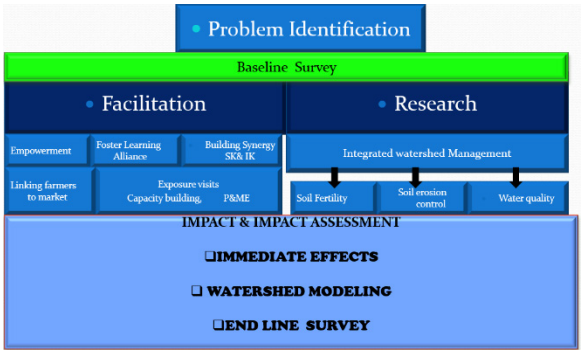


Figure 1: Problem identification Approach

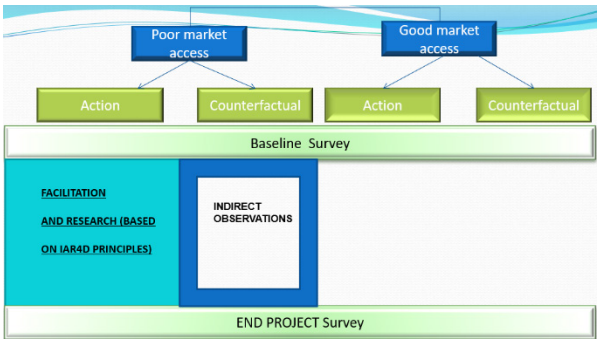


Figure 2: Facilitation and research concept

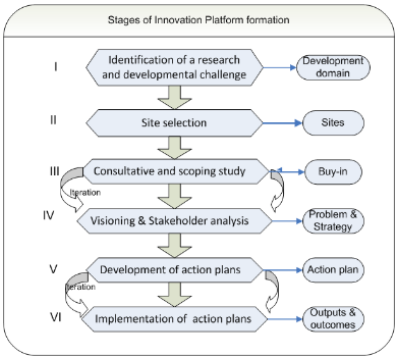


Figure 3: Process of IP formation

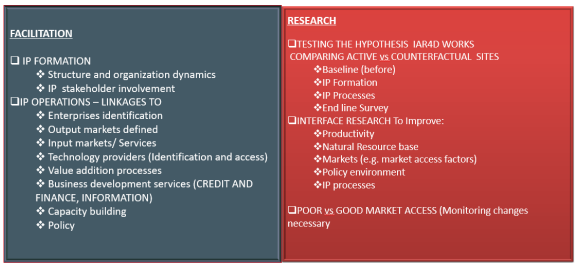


Figure 4: Facilitation and Research in IAR4D Action Sites

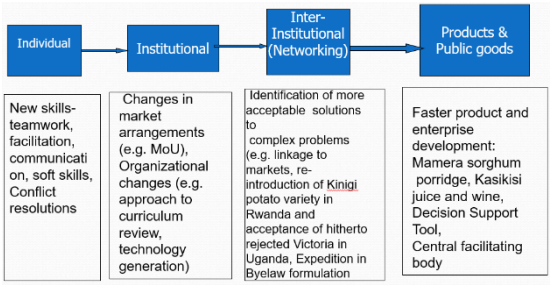


Figure 5: Changes arising from IAR4D implementation

Enhancing Agribusiness Opportunities

Market-led Approaches and Agribusiness Learning Alliance (ABLA)

Participants were introduced to market-led approaches but specifically Market Corridor Approach strategy, exploring how these could unlock investment opportunities within value chains. The transformation of IPs into business platforms, driven by market demands, was highlighted as a critical pathway for project success. The concept and operational mechanics of ABLA were explored, emphasizing gender considerations and the integration of business development services. Practical exercises, including a business plan canvas, provided hands-on learning opportunities for participants. Project teams (stakeholders) were tasked with creating commodity corridors by applying the model training they received for their value chains. The guidelines for developing the commodity corridors were given as follows:

- Stakeholders were required to reflect on the gaps they have identified concerning their projects or IPs.
- They were to prioritize the business gaps and develop action plans to fill them with timelines using the business canvas models.
- They were to determine the kind of support they expect from the consortium in operationalizing ABLA.

The workshop facilitated the establishment of multiple commodity corridors across diverse value chains. This initiative gave participants a comprehensive understanding of their respective stakeholder value chains, enabling them to discern the various processes intrinsic to each commodity. The participants gained an understanding of their potential partners along the value chain of the commodity of focus, identified the primary product in focus of each commodity, and assessed market dynamics associated with the respective commodities.

Identification of gaps and developing action plans

Through group activities, participants identified gaps within their existing Innovation Platforms and discussed these in the context of alignment with IP concepts and market-led business planning. Prioritized action plans to address these gaps were developed and shared, fostering a collaborative learning environment. These are presented on Table 1.

Table 1. Gap Identification, Prioritization, Action Plan, Timelines, and ABLA Support

	Identified Gaps	Prioritize the Business Gaps	Action Plan	Timelines	Consortium Support under ABLA
TPP0	Newly formed IP	Business Description	Develop a Business Plan	Nov. 2023	Technical and financial support
		Operating Plan	Listing the main activities to be performed under IP	Nov. 2023	Technical support
		Financial Plan	Budgeting for the activities under IP	Dec. 2023	Technical support
2	Small number of stakeholder members	Executive Summary	Profiling the stakeholder members of the IP and partners	Nov. 2023 - Jul. 2024	Technical support
		Market characteristics	Baseline survey for assessing the feasibility of the services offered by the IP	Nov. 2023 - Jan. 2024	Technical and financial support
		Competitors Assessment	Identification and analysis of competitors	Nov. 2023 - Jul. 2024	Technical and financial support
			Setting a work strategy for the IP	Nov. 2023 - Jun. 2024	Technical support
TPP1	• Constitution of IP stakeholder complement is incomplete – key private sector partners missing, e.g., Processors, feed manufacturers, composite flour manufacturers, and omena exporters. • The IP is currently not formally registered as a legal business entity. • Leadership of the IPs is not formalized. • Leadership and Governance structure not formalized.		1. Formal registration of the IP from the BMUs model to include other actors. 2. Election of the officials. 3. Means for online interaction. 4. Fully constitute the partnership – including the private sector, policymakers, and processors. 5. Updating membership. 6. Development of business strategies, constitution, and by-laws.	30/11/2023 10/11/2023 29/12/2023 29/12/2023 29/12/2023 29/3/2024	

TPP2	• Leadership structure of IPs • Incomplete minimum stakeholders of IPs • Lower skill level of IP members • Lack of enforcement by policy makers • Lower financial capacity of IPs • Lack of business model for market-oriented • Lack of information on suitable varieties in specific region • No membership contribution IP members	Lower Skill level of IP members Lack of business model for market-oriented Lack of information on suitable varieties in specific region	Strengthening the IPs through capacity building by January 2024 Dissemination and adaptability of newly released varieties by March 2024 Elaboration of Bankable business plan of IPs by June 2024 Increase the knowledge of IP leaders on (Leadership financial literacy) July 2024 Market linkages and helping IP to have access to finance July 2023 Formulate IPs with maximum standards of required stakeholders (where applicable) by September 2024		Establishing the ABLA model in the IP implementation process (by working with agricultural extensions, research, and education). Engage private and public institutions in IP formulation and operation. Engagement of youth in IP by mobilization and established workshops.
TPP4	• Marketing • Drought diversification • Collaboration with similar IPs		Engaging the millers, bringing in more Stockists Bringing in new value chains into the project for progressive all-round production, adopting water harvesting methods, and partnering with other funders to solve water challenges, most especially within the project. Engage related IPs/ Similar Value chains.		Facilitate meetings and training sessions

TPP6	• Low production. The buyer demands 5 tonnes of pumpkin seed per month; we only delivered 200 kgs. We want to increase production initially to reach 1 ton. • Limited Capital. We have not had more private sector involvement besides the buyer (Psalms Food Industry). They make snacks and other foods. We specifically need to invest in post-harvest management and processing, such as solar driers and slicers as an IP. We need these to maintain the expected quality by the buyer.		**To increase production** Increase membership in the farmer groups Conduct training and extension services Organise ourselves better in the production plans so that we meet the demands of the food company Partner with the Uganda Microfinance Support Centre (UMSC) Complete our registration at the district level. Open group bank accounts Undertake more training in business development by UMSC	End of Nov. 2023 Feb. 2024 Jan. 2024 End of Nov. 2023 End of Nov. 2023 End of Jan. 2024 Dec. 2023	Acquisition of post-harvest management facilities/ equipment • A slicer for the pumpkins • A solar drier for each group • More training in business management

TPP8	• Knowledge gaps • Resource gap regarding establishing and running IPs. • Wrong initial structure • Complicated structure of the program for some stakeholders • Product development-expertise, resources, equipment, process • Value chain streamlining • Self-sustainability of the IP	Entrepreneurial and business management skills Product development and diversification. Technologies to support development	Identify passionate champion(s) who can own the vision of what the IP can accomplish. Create regular communication and other activities to help build and solidify the IPs. Equip the IP business with requisite business skills at their respective levels of the commodity corridors. Establish knowledge hubs. Organise exchange programs to facilitate learning. Establish proper hubs and centers. Raise funds and get adequate funding to support IPs. Restructure the IPs to the right formations and structures. Simplification of the program structure Invest in or partner with institutions with resources that can facilitate the product development processes. Establishing linkages	Nov. 2023 - Feb. 2024 Nov. 2023 - Aug. 2024 Nov. 2023 - Aug. 2024 Nov. 2023 - Feb. 2024 Nov. 2023 - Feb. 2024 Nov. 2023 - Feb. 2024 Nov. 2023 - Aug. 2024 Nov. 2023 - Aug. 2024	Grants and other forms of fundraising support Technical backstopping support Work closely with all stakeholders in program design. Technical support with partners who have product development capabilities

TPP11	• Poor coordination between the IPs and structural reforms by streamlining the governance and reporting channels. What's The role of the National Platform Vs Regional IPS? • More Youth should be trained to bridge the gap in all activities by using ICT. Creating a database of all stakeholders for accessible communication and networking, extension service delivery. • Knowledge dissemination center should be established at the national level, then to regional IPS, • An action plan for all IPs • Slow growth - Genetic improvement by scientists should be a continuous process and streamlined, fish growth slow, every farmer is a breeder. • Local feed production should be supported. Imported feeds are very expensive, and the locally available feeds are of poor quality, making the costs of production to be very high. • Marketing GAPS • Prices fluctuation because of competition from immature fish from the (wild) capture fisheries, exploitation by intermediaries, More investment in marketing, branding, and packaging and market readiness training, trade shows, market expos, online marketing apps (structured fish markets) • Market research should be funded by the AIRTEA project to support all the innovations developed under this program. • GAPS in access to finance- MOUs with input dealers and financial institutions to address access to finance issues.				

Enhancing Agribusiness Opportunities

The workshop's latter sessions focused on enhancing agribusiness opportunities, attracting investments and financing, and exploring diverse financing sources. The integration of third-party projects and the identification of potential synergies and collaboration opportunities were emphasized.

FARA Learning Event Synthesis

Following the AIRTEA project presentations, several key insights emerged, highlighting the necessity of enriching the stakeholder composition of innovation platforms (IPs) by integrating crucial private sector entities. Notably absent are partners such as food and feed processors, large-scale buyers, seed companies, composite flour manufacturers, and exporters. Profiling the IP and its partners is instrumental in this endeavor. This involves developing and strengthening IPs to overcome issues like the absence of essential stakeholders, skill deficiencies, and policy enforcement gaps. Formal recognition of IPs as legal entities may open new avenues for opportunity. Enhancing IPs involves bolstering their financial health and encouraging market-driven business models, ensuring the viability of the IP business plan. IPs dealing with the same commodities and markets could form networks for efficiency and impact.

To mitigate marketing challenges and price volatility, initiatives like branding, market readiness training, and competitive positioning backed by feasibility research are crucial. IPs must remain competitive, delivering value amidst competition. Collaborating with input dealers and financial institutions to better finance access through strategic partnerships from larger operations is essential.

Effective leadership and governance are foundational for sustainable decision-making within IPs. Long-term sustainability will benefit from addressing resource shortages, specializing in products, and optimizing value chains through action research. Building a robust foundation for IPs includes enhancing autonomy, implementing structural reforms, promoting ICT use among the youth, and creating a stakeholder network for improved communication and service delivery.

Increasing production within IPs can be achieved through multiple strategies:

- Empowering farmers with training,
- Expanding farmer group membership,
- Enhancing extension and business development services,
- Tailoring production plans to market demands,
- Identifying dedicated champions for the IP vision,
- Facilitating regular communication and activities to strengthen IPs,
- Providing business skills training across commodity corridors,
- Collaborating with or investing in institutions for product development, and
- Hosting knowledge sharing and exchange events for IP member learning.

The role of ABLA

Establishing an Agribusiness Learning Alliance (ABLA) can play a role in the IP implementation process by coordinating cross-IP functions such as capacity building, training, cross-learning sessions, and joint business development support services, including fundraising for IP scaling. ABLA can also create links with agricultural extension, research, and education. Guidance can be provided to IPs on engaging private and public institutions in IP formulation and operations and empowering women and youth through mobilization and workshops. Other possible areas for ABLA include:

- Delivering in-depth training in business management.

- Providing support for grants and fundraising efforts.
- Offering technical backstopping and assistance.
- Ensuring close collaboration with stakeholders in program design.
- Forming partnerships with product development specialists for expert technical support.

The engagement of the private sector is crucial for the sustained growth and success of IPs, necessitating a compelling business case to attract significant stakeholders. Researchers play an indispensable role as catalysts for change and as brokers of innovation, driving the continuous evolution and improvement of IPs. Key to the sustainability of IPs is the fostering of effective teamwork and the commitment to ongoing operational enhancements.

Conclusion

The following are the conclusions at the workshop:

1. Third-party projects (TPPs), specifically TPP-07, TPP004 and TP-009, providing digital extension services are encouraged to broaden their reach by offering these services to more IPs, aiming to enhance knowledge sharing and support with digital tools for broader growth.
2. Establish a central platform for IP leaders and promoters to enable them access technical assistance, expert advice, and resources, enhancing IP leadership and effectiveness.
3. Create user-friendly and simplified training materials for IPs to improve accessibility and understanding, boosting the impact of training.
4. Facilitate direct market connections for IPs to avoid intermediary exploitation, aiming to boost their profitability and sustainability by allowing direct sales to buyers for better prices and transactions.
5. TPPs should report unexpected positive outcomes, providing insights and lessons for future projects and showcasing the dynamic nature of innovation.
6. FARA and ASARECA should create a detailed action plan with timelines to address the gaps within IPs with the aim of enhancing the capacity of IP members, ensuring that they have the skills, knowledge, and resources needed to succeed and grow.
7. FARA and ASARECA should develop guidelines and tools (checklists, matrices, and indicators) to assess and improve IP functionality and maturity, aiming for continuous improvement and sustainability.