



Nutrition Facts	
NUTRITIONAL VALUE PER 100g	
Moisture	14%
Calories	36
Total Fat	0.5g
Total Carbohydrate	7.5g
Fiber	0.2g
Protein	1.2g
Thiamine (Vitamin B1)	0.04g
Niacin (Vitamin B3)	0.12g
Vitamin B6	0.01g
Folate (Vitamin B9)	0.01g
Vitamin C	0.01g
Iron	0.01g
Magnesium	0.01g
Zinc	0.01g



Highlights 2021

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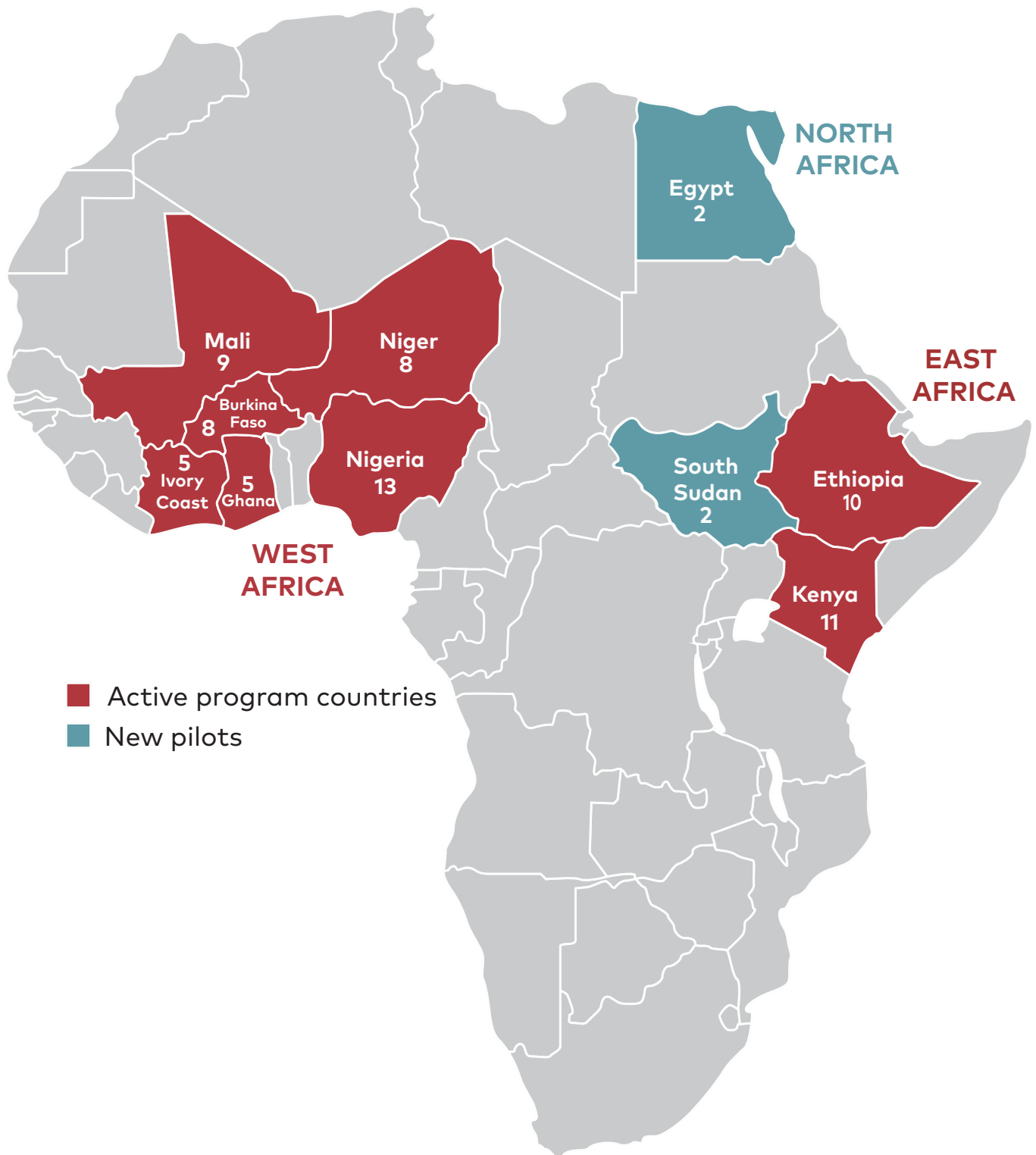
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- Active program countries
- New pilots

1. Intro

In 2021, COVID-19, political instability, and insecurity issues in Ethiopia, Niger, Mali, and Burkina Faso were major bottlenecks for the 2SCALE program. These issues not only impacted program implementation, but also restricted the operations of program actors at different levels. As most small and medium enterprises (SMEs), including 2SCALE business champions struggled to readjust their business models in response to the change in the dynamics of the market in relation to the pandemic, a considerable number of the public-private partnerships (PPPs) supported by 2SCALE had to overcome security-related challenges. PPPs in Burkina Faso, Mali, Niger, Nigeria, and Ethiopia faced significant security problems that restricted business operations and PPP activities.

Despite all these challenges, the 2SCALE program registered significant progress in 2021, and most of the targets set for the year were achieved. During the year, 62 partnerships and 4 pilots became active in the 10 program countries. Thanks to this increase in partnerships activities, significant improvement was made in the results of most of the Universal Impact Indicators (UIIs).

A mid-term review (MTR) of the program was conducted. The outcomes served to confirm what was done right and brought awareness of aspects of the program that required more reflection for the program continuity. The MTR reported on challenges at program and country level, from which lessons were learned and actions taken for the way forward.

A post-monitoring evaluation of 2SCALE Phase 1 PPPs was undertaken to find out how they were doing. The findings showed that 80% of the PPPs are still working and 60% of the business champions are growing and expanding their business operations. This proof of concept of the approach is particularly important for the program's future, as we celebrate a decade of driving agribusiness in Africa in 2022.

To strengthen several PPPs and reach the program targets, 2SCALE engaged with six Supportive Partners (Real IPM, Cropnuts, Corteva, UNACOOPEC, Bayer and CALLIVOIRE) to introduce innovation, quality inputs, and successful financial models. The program established collaborations with organizations such as International Finance Corporation (IFC) and CARE Netherlands for much better support of our business champions and smallholder farmers. In addition, the program approach was highlighted during different conferences and seminars in which various 2SCALE team members participated as speakers. Despite the pandemic challenges, a full week of team building took place for the entire 2SCALE staff in Grand-Bassam, Côte d'Ivoire. The meeting preparation and implementation followed a clear Covid-19 protocol to ensure everyone's safety and health. This led to a boost in team spirit and strengthened the program strategy for achieving more impact in 2022.

The past year was also marked by a leadership change in program management. Henk van Duijn fully transitioned in October 2021 into his new role as Chief Financial Officer/Chief Operations Officer at IFDC after supporting Marina Diboma, 2SCALE's newly appointed Program Director, in four months of intensive onboarding.

The Report

In this highlights report 2021, we have made a selection of the different thematic areas we are working on, and under each section we highlight some of the key activities we've worked on in 2021. For the full stories and more information on the topics, themes, countries and sub-sectors 2SCALE is working on, we highly recommend you to visit 2SCALE's [website](#) or follow us on [Twitter](#), [Facebook](#), [Instagram](#), and [LinkedIn](#).



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HIGH RIDGE PRODUCTS LTD
411 Ave. 73, 20000 Highway 9040
Northwest Highway, Edmonton, Alberta
T6E 6K4, Canada. Tel: 780-441-1111. Fax: 780-441-1112
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2. Achievements

Despite several challenges related to COVID-19 and security issues in various 2SCALE countries, the major program targets were achieved in 2021. In addition, to these major milestones, other achievements were made this implementation year.

All active PPPs formalized: PPPs are considered a means to an end (the end being promotion of an inclusive and commercially viable business model that contributes for food security in Africa). 2SCALE had planned to set up 60 PPPs in its second phase. 69 PPPs were developed, and seven had to be stopped. Following the PPP protocol, 62 have been active in the field with multi-year Partnership Agreements signed between the business champions and IFDC (on behalf of 2SCALE consortium members). 4 pilots were also initiated during the year in South Sudan and Egypt.

Pilots kickoff in South Sudan and Egypt: Using the existing budget allocated for the program, 2SCALE began piloting partnerships in South Sudan and Egypt (two pilots in each country) with differing objectives. In South Sudan, 2SCALE is testing an approach on encouraging companies to develop an inclusive and commercially sustainable business model in a post-conflict area and in situations where the level of risk and uncertainty is higher. In Egypt, the pilots are focusing on private sector development in a favorable agribusiness environment. For both Egypt and South Sudan, a simplified process was used to formalize the pilot partnerships. The learnings from the selection process in Egypt and South Sudan have been documented and will provide input into the design of the next phase of 2SCALE.

Encouraging mid-term assessments: The Netherlands Ministry of Foreign Affairs commissioned SEO Amsterdam Economics and the Management Development Foundation (MDF) to conduct the Mid-Term Review (MTR). The purpose of the external review was to assess the ongoing processes and results thus far and advise the program whether change was needed. The MTR was done through desk research, based on documents developed and provided by 2SCALE, including PPP-specific documents, thematic strategies, and reports and through three exhaustive case studies in Burkina Faso, Ghana, and Kenya. The draft report was shared with the Ministry's reference group and the 2SCALE Supervisory Board. Several detailed discussions took place in July 2021. The final report had 13 major findings. The implications of these findings were incorporated into the design of the 2SCALE 2022 Annual Workplan.

Strong emphasis on ABC: One of the key distinct features of 2SCALE is its proven concept on grassroots empowerment through the creation of vibrant Agribusiness Clusters (ABCs). ABC formation is a key part of 2SCALE to create coordination and

competitiveness at the grassroots level. To fully leverage this concept, in 2021, the program successfully rolled out a capacity building program for all staff and coaches supporting the ABC actors. On top of this, appropriate support structure was developed by creating a strong ABC formation team within the program to provide support for Partnership Facilitators.

Sub-sector change idea implementation started: One unique aspect of the second phase of 2SCALE is the attention to initiating sub-sector level engagements for challenges that are beyond the capacity of specific PPP actors to overcome but, if resolved, would have a sub-sectorwide effect. Nine ideas were approved and implementation was started.

Private Sector Contribution well on track: The philosophy of the 2SCALE approach is centered around leveraging the skills and resources of the actors in the PPPs. The key measurement in this regard is the extent of private sector contributions. For every Euro, the program is expected to leverage an equivalent investment from the actors. So far, 32.89 million Euros in private sector contribution has been leveraged, with a program contribution of 39.9 million Euros. The private sector contribution was mobilized by all the actors in the PPPs, but significant contributions were made by business champions. Leveraging at least an equal amount of resources from the private sector allowed 2SCALE to double the scale of its operations and significantly increased its reach, thus improving the cost-effectiveness of the program.

PPPs exit process definition: One of the main recommendations of the MTR was related to the exit plan for the first phase of 2SCALE. These learnings were taken into account in further program implementation. In the second half of 2021, 2SCALE defined a clear exit plan. 2SCALE, by design, has no blueprint solutions to any partnership. Hence, the exit process will also not follow a generic process, as each partnership is different. However, it is important to provide some sort of guidance to partnership facilitators (PFs)/country team leaders (CTLs) on the exit process so that there is alignment at the program level. The framework is not meant to phase out PPPs in a similar manner, but to facilitate the exit process in a consistent manner. iCRA is also working to develop an exit process guide, including the organization of an exit workshop.

Impact Progress

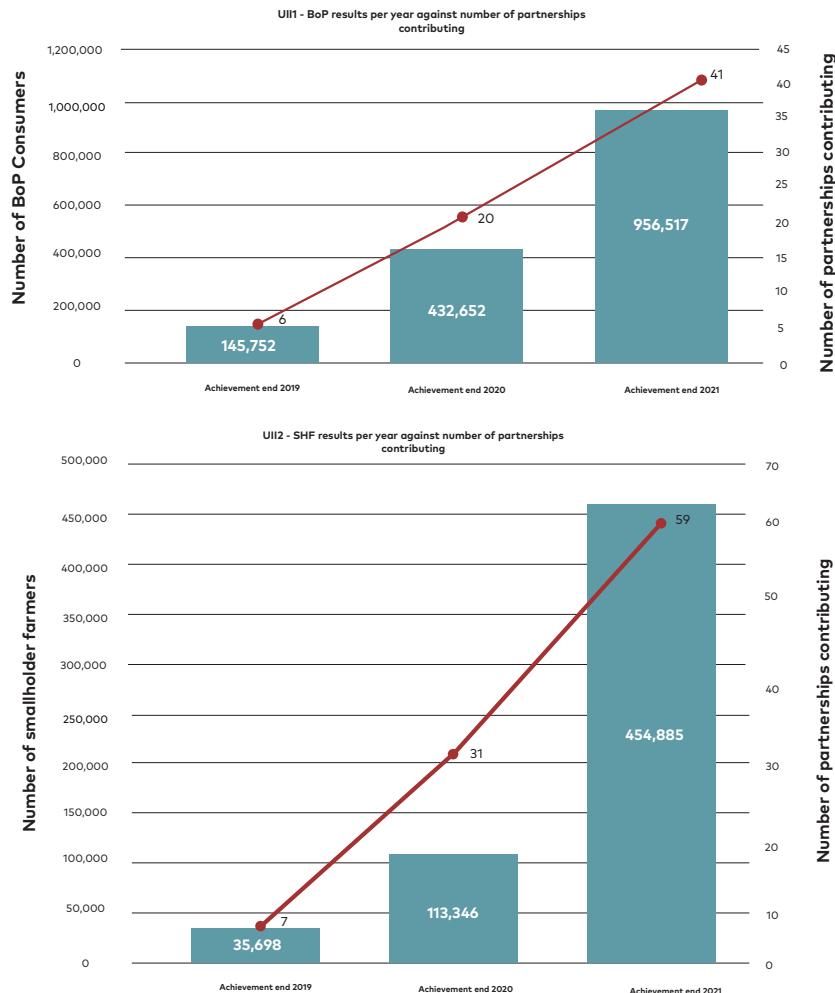
Despite numerous challenges noted above, 2SCALE has enabled vulnerable communities to continue consolidating and increasing their capacity for inclusion in value chains and to develop appropriate resilient strategies against the negative consequences of climate change.

Indeed, from 2019, 2SCALE has enabled growth in the number of BoP consumers included in the food system (UII1) from 145,752 (2019) to 432,652 (2020), this number reached 956,517 in 2021, an achievement of 95.7% of the overall target. Several factors could explain this trend, including the increase in the number of PPPs that contributed to this target, which rose from 6 in 2019 to 19 in 2020, and 41 in 2021. Another reason could be the closure of country borders, due to COVID-19, which implies a reduction in the mobility of the population. This could increase their need for consumption of local products and ultimately create opportunities for local businesses in the food system, especially those with inclusive agendas, such as 2SCALE business champions or their partners.

The inclusion of smallholder farmers (SHFs) in competitive value chains (UII2) has also continued to increase. As of 2021, 419,819 smallholder farmers had improved their productivity and gained market access, allowing 2SCALE to ensure the inclusion of more than 454,000 members of producer organizations over the last three years, an achievement of 60.7% of the overall target. The 2021 result shows a tripling of

2SCALE's achievement since 2020, when the program included just over 113,000 smallholder farmers. However, unlike 2020, more smallholder farmers have gained access to markets in addition to improving their productivity in 2021. A total of 40 PPPs contributed to this indicator in 2021, compared to only 19 in 2020. The 2021 achievement shows the growing maturity of the PPPs. They no longer limit themselves to investments in quality inputs; they also sell their crop products to leading companies or their commercial partners. This could contribute to improving the sustainability of business linkages among value chain actors and create enabling conditions for success with the inclusive business models.

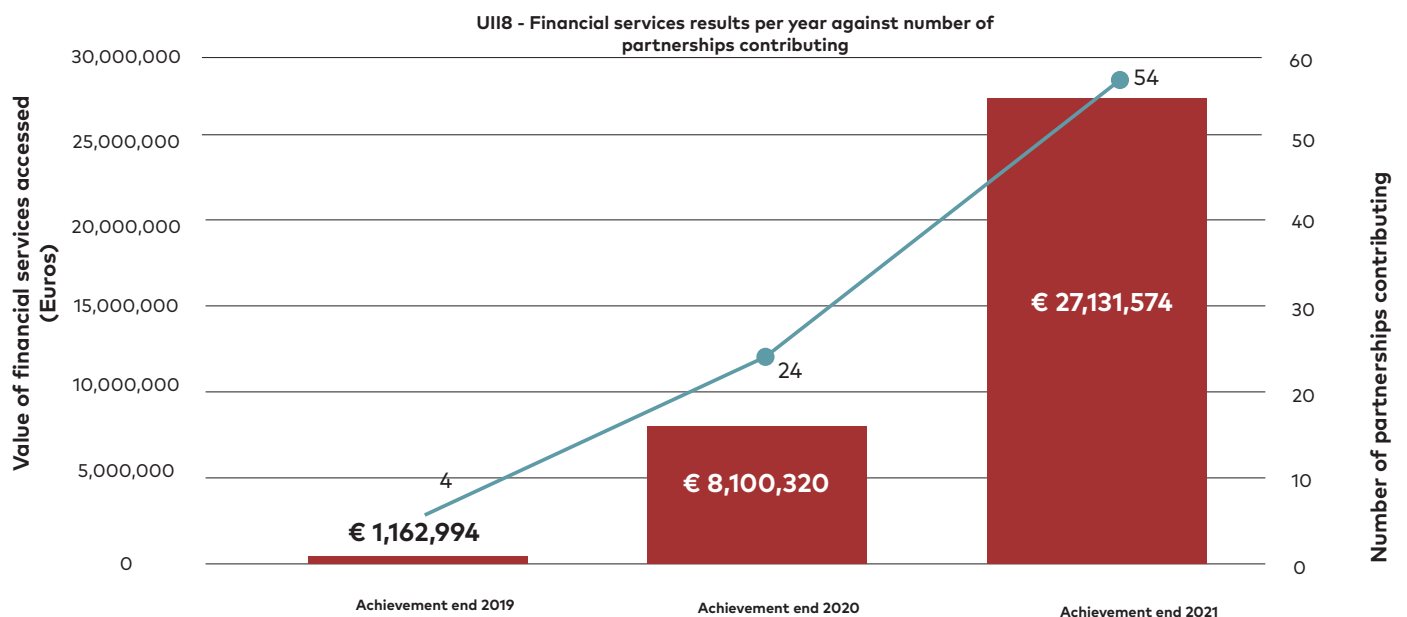
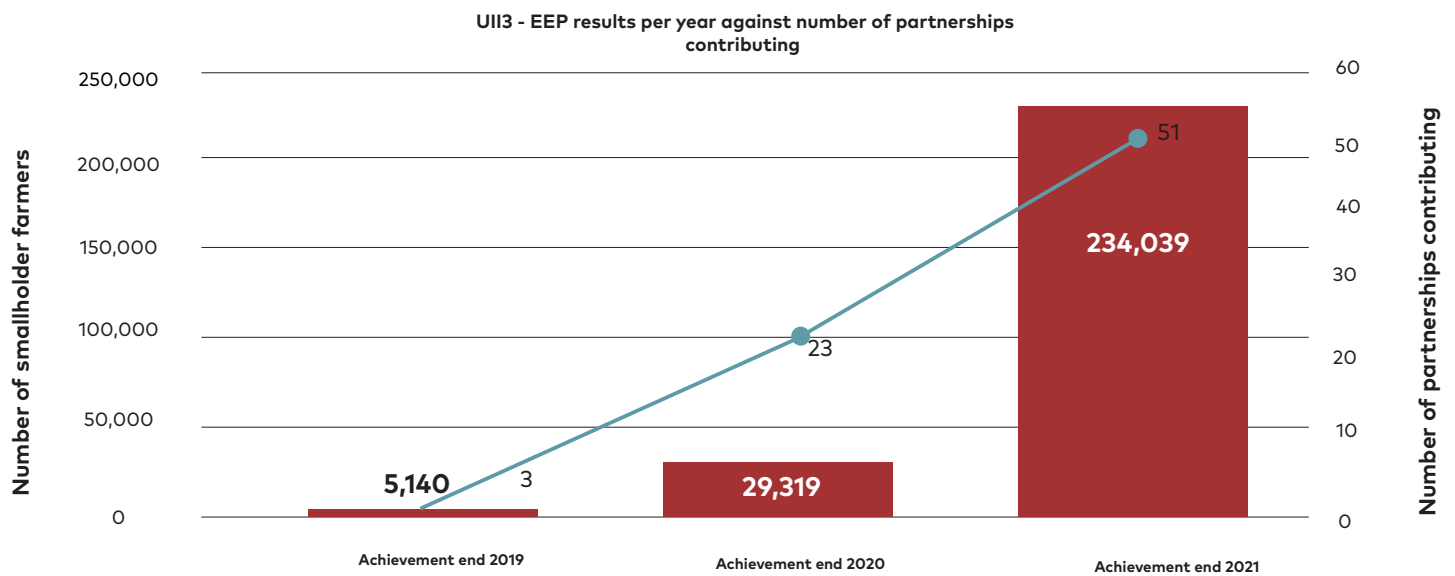
SHFs increasingly adopt eco-friendly practices to mitigate effects of climate change. In 2020, eco-efficient practices were applied to only 29,866 hectares (UII3). However in 2021, this number increased to 217,027 hectares. Therefore, under the 2SCALE program, an accumulated 234,000 hectares eco-efficient practices were applied, achieving 62.4% of the target. This trend could be explained by increasing number of SHFs reached by the program. Another reason could be the number of adoption of eco-efficient practices at each PPP level, which may increase due to improvement in the skills of smallholder farmers. Only 23 PPPs reported on this indicator in 2020, while more than double that (48) reported on it in 2021.



In general, 2SCALE is making good progress in achieving the eight Universal Impact Indicators (UIIs). Three of the UIIs (4, 6, and 7 - SMEs driving inclusive business in target industries, micro entrepreneurs/SMEs associated with partnerships, and non-farming innovations adopted respectively) surpassed the target. UII1 is over 95% complete, and UII5 (additional non-farming employment in targeted agribusiness clusters and value chains) is over 99% complete. UIIs 2 and 3 are in the 60-70% completion range. At the end of 2021, UII8 (Total value of financial services accessed by the SHFs, micro-entrepreneurs and SMEs) reached 53,3% of the overall program target, while the M&E team continues to verify the validity of the overall value. This is because some partners are still hesitant to give to the program copies of their supporting documents as proof of financial mobilization but are open to showing them. In general, these figures show a sustained progress of the program in achieving the targets for all indicators.

The level of achievement of UIIs 1, 2, 3, and 8, which are the results of actual trade and financial exchanges within the partnerships, confirm the maturity of the partnerships, especially with UII 1 almost completely achieved. For the other UIIs, there is still work to be done by the program, but the trend shows the targets may possibly be achieved before the final closure of the program.

For the organizational indicators – UIIs 4, 5, 6, and 7 – the trend shows a more exponential growth, since most have been fully achieved in terms of targets for the program, except for UII 5 at over 99% completed. This is explained by the considerable involvement of the actors in the value chains, who are really interested in doing “business as unusual” through an inclusive agenda.



3. Lessons learned and actions taken



In 2020, COVID-19 had a major impact on our work, which affected the business champions' ability to invest. In 2021, the pandemic continued to wreak havoc globally, but some 2SCALE countries experienced political instability on top of that. Countries like Ethiopia, Mali, Niger, and Nigeria had periods of time in which activities could not be implemented because of insecurity. In Ethiopia, our partnerships in sorghum, beans, and Niger seed were heavily affected by the conflict in Tigray. Overall, the risk of doing business increased. The 2SCALE program thus adjusted some of its procedures to allow for flexibility. For example, Annual Action Plans (AAPs) are now reviewed bi-annually to ensure that activities still fit with the current situation. This has allowed business champions to adjust their plans, when necessary, in response to the changing environment.

Strong ABCs are the backbone of 2SCALE's work. Maintaining the sustainability of these ABCs was a challenge during 2021. Boosting the motivation of the business support service (BSS) and community coaches through repeated capacity building sessions was crucial to ensuring complementary partnerships. In 2021, the program trained 275 ABC coaches (63% youth, 25% women). A program wide training on ABCs is planned for February 2022.

Smallholder farmer access to credit for inputs is inadequate in many countries. As an example, to overcome this, 2SCALE supported the implementation

of a risk-sharing input access system in the rice partnership in Mali. Producers mobilize the 30% of the total amount, the supplier provides 20% in the equivalent amount of fertilizer on credit, and the MFI grants 50% of the total amount on credit. After harvest, the producers sell the stock and repay the credits through the MFI. This arrangement could be adapted and replicated in other value chains and settings.

Global value chains are increasingly becoming unstable; national and regional sourcing is a much more sustainable solution. 2SCALE is encouraging businesses like Koudijs-DeHeus to source locally grown yellow maize. Relationships, facilitated by 2SCALE, are being forged with maize cooperatives to complete purchase contracts starting in 2022.

The ultimate goal of 2SCALE's work with women and youth is to have more members of these groups actively involved in value chains. Program activities include trainings to ensure that they have the right skills to actively participate in these value chains. However, after youth and women receive training, few took part in value chains or started a business in 2021. To overcome this, the team in Ethiopia, for example, connected youth with business champions and other surrounding businesses. Another example is where a business model canvas (BMC) training was conducted for a small processor in Ghana, who then diversified her portfolio to include complementary products. The biggest lesson for the program is to recognise that only

capacity building is not enough. Women and youth need to receive further coaching and assistance to actively engage in value chains.

Focusing on BoP markets is a strong element of the program's inclusive agenda. However, for a business to be sustainable, it must diversify its customer base. Some champions only focused on one or two market segments, which affected their cash flow and, in turn, their operations. This greatly limited their capacity to expand their BoP markets and slowed the progress of the partnerships. The program now encourages champions to consider other types of markets. For example, in Côte d'Ivoire, 2SCALE supported the champions in the rice PPP to broker orders for bulk-buying from the government in 2022.

After supporting many types of business champions with new product development and facilitating their entrance into new BoP markets, the program has found that the initial investment in BoP markets can be expensive. Much time and effort are required to reach low-income consumers. In Ghana, the use of micro-distributors is helping to mitigate the risk, so that the SME does not have to constantly be in the field. Lessons such as this are now being shared between countries. Since then, the maize partnership in South Sudan utilized micro-distributors to inexpensively increase its distribution points by 17 to reach more consumers.

The world is changing rapidly. This brings with it important challenges for the partnerships and the implementation of the program interventions. Joint reflection with internal and external stakeholders is key to adapting the orientation of the PPPs and program interventions to these new situations.





4. Brokering and building partnerships

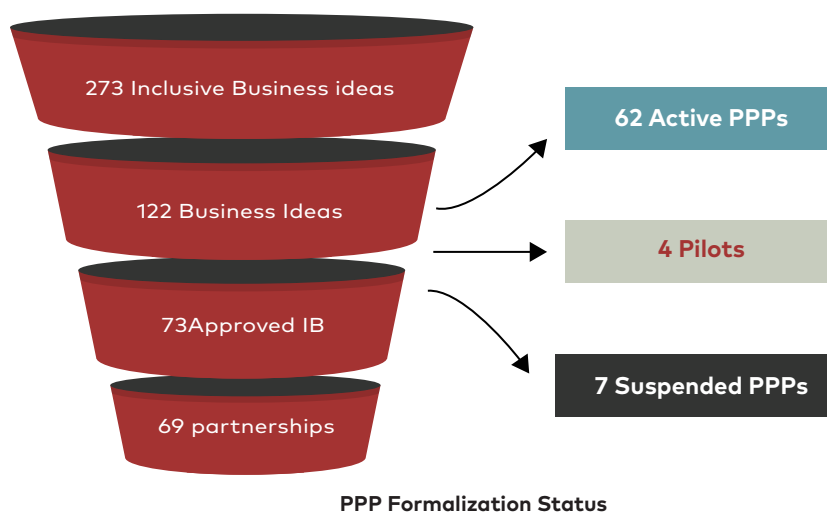
2SCALE co-designs PPPs with lead companies and grassroots actors. These are actors who aspire to develop and refine inclusive business models. They also create jobs and opportunities for smallholder farmers and nutritious products for low-income market consumers.

To guide the co-creation process from the start of Phase 2, by adopting the experience of phase 1, a clear seven-stage PPP formalization process was developed. Using this process, 285 inclusive business ideas were mobilized across the eight focus countries and the two pilot countries (South Sudan and Egypt). A total of 122 ideas were pre-screened at country level, and 73 of these ideas (69 full-fledged PPPs (29 on stables, 12 on oil seeds and 14 each for animal products and vegetables value chains) and four pilot PPPs) were approved by the independent external selection committee to develop inclusive and commercially sustainable food systems in the 10 countries where 2SCALE operates. However, due to security problems and limited commitments from the business champions, seven PPPs were suspended before reaching maturity.

At the end of 2021, the program had developed a rich and diversified portfolio of 62 full-fledged PPPs and four pilots. In terms of their model, 21 of the PPPs are led by grassroots actors while the rest are championed by lead firms.

Of the 62 active PPPs developed, 42 fall under the incubation workstream and 20 under the replication workstream. To support the PPP actors based on the priority of the partnerships, 38 cross-cutting agreements introducing new technologies, expertise, and innovations were signed with supportive partners.

For all active PPPs, a partnership governance structure was developed with at least two layers, field-level governance and a management-level partnership governance committee. Through this framework, all AAPs have been validated for each PPP. This assures the ownership of the PPPs among the actors. It also provides a platform to prioritize the interventions in line with the ambitions of all the actors.



5. Thematic Area Updates

BoP Marketing



Despite the challenges brought about by the COVID-19 pandemic and political unrest in some countries, many of the deliverables for 2021 were met under the following as focus areas:

1. Collaborate with business champions on insight-gathering and marketing strategies.
2. Collaborate with business champions on nutritious product development.
3. Create branding and packaging for BoP markets.
4. Facilitate market activation and last-mile distribution of BoP products.
5. Develop behavior change campaigns for healthier diets.

Insight studies were completed in several countries to help create marketing strategies for the PPPs. A total of 14 insight studies were conducted. A study for the ENP soybean PPP in Kenya was completed, which included a tasting of the product before deploying it to the market. Additionally, BMC workshops were conducted for many PPPs, which helped fine-tune the overall marketing strategies for our partners. For example, the Kanybek PPP in South Sudan was able to increase its number of distributors by 17 after the BMC workshop to improve its reach.

Many of the partnerships worked on improving their product development to appeal to the BoP consumers based on insight studies. A total of 21 new products were developed and 16 products were modified for market fit. In Ghana, 2SCALE partnered with the Food Research Institute (FRI) to conduct research on entirely new formulations for Faranaya's sorghum-based product range. In Mali, for the rice PPP, three products were developed: Rial (a combination of parboiled rice, groundnut, and powdered milk), Nutri-rice (a combination of parboiled rice and vegetables), and Couscous de riz (a combination of rice and amaranth).

To meet the demand created by activation of the market, last-mile distribution strategies were implemented. Distribution models, such as the use of branded tricycles and micro-franchising (independent sales), were deployed in the Tamanaa rice PPP in Ghana. In Kenya, branding of retail outlets to improve visibility of the Meru Dairy Union PPP was done. Integration with 2SCALE gender work showed strongly in this area as Fulani women in Nigeria were trained to distribute yogurt to the community.

Behavior change campaigns on healthier diets were deployed through social media. PPPs created an online presence for themselves. COVID-19 restrictions particularly presented the opportunity to strengthen marketing digitization efforts to access markets and deliver value to the BoP through social media and integrated online marketplaces.

As mentioned, the major BoP marketing implementation challenges faced in 2021 were COVID-19 pandemic and political instability in some of the countries (Nigeria, Mali, Sudan, Ethiopia, and Burkina Faso), which contributed to a volatile business environment. In response, business champions were reluctant to commit to new markets or expansion. A great effort was needed to keep things moving on the ground.

At the end of 2021, we undertook a consumer survey in 2 partnerships in Nigeria (sorghum) and Ethiopia (Niger oil) to validate the impact of some of the BoP products developed, fura balls and niger oil respectively. The outcomes of the survey show that the lives of those included in the survey improved either through availability of affordable cooking oil or hygienically prepared fura balls.

2021 was a good year for product development and testing of new variants. In 2022, the program will focus on formulating behavior change campaigns, executing market activation, and building on the last-mile distribution of both new and existing products.

ABC formation

In 2021, ABC formation and development interventions saw an improvement at the program level. Most partnerships have established ABCs in which different actors are actively interacting among themselves and with the business champions. Through these interactions at the grassroots level, the actors are beginning to appreciate the concept and understand how building strong clusters can accelerate the attainment of their individual and collective ambitions. This was facilitated through the capacity building and coaching of 275 agribusiness coaches (63% youth, 25% women) in nine countries. These coaches have been trained on the basics of ABCs and the kinds of support they need to provide. The ABC needs assessment tool was developed and tested in three partnerships in Mali. These needs assessments helped to identify the key areas of support required by each actor group to enable them to play their roles in the cluster effectively. Going forward, the needs assessment will be integrated into the Diagnostic and Design (D&D) and R&A processes to align the data collection protocols at the program level and reduce the data collection stress experienced by PFs and program partners. Additional training modules were developed and conducted in response to the capacity needs of coaches. Field coaching support is planned for the coming year to help them apply their skills in the field. The ABC strategy was reviewed after one year of implementation to respond to the dynamics in the field. With the revised strategy, the emphasis is being placed on providing a lot more field support to BSS coaches and connecting them with community coaches who support grassroots empowerment initiatives. The ABC coach selection criteria was also reviewed and applied. Much more effort is still needed to embed the idea of ABCs in some partnerships, especially those that had a late start. Also, most AAPs still have limited planned activities to strengthen ABC functioning. In 2022, this is expected to change, as the procedures for organizing R&As and subsequent drafting of AAPs have been streamlined to gather more input from thematic experts (including ABC experts) prior to finalization.

Positive signs of progress are already being observed in embedding the cost of ABC coaches to make their support to the ABCs sustainable. Through the internal coaching support system promoted by 2SCALE, some partnerships like the Tegemeo sorghum PPP in Kenya have already reached sustainability through the engagement of internal coaches who also act as aggregators for the business champion (Tegemeo) and facilitate the distribution and recovery of input credit. These coaches earn a commission on every transaction they facilitate, which enables them to cover their costs while also providing training to farmers and other cluster actors. The internal coaching mechanism (as opposed to external BSS coaches) has proven to be more effective in terms of ensuring continuity and will be expanded to cover more partnerships in 2022 as 2SCALE phases out.

Inclusive green innovations

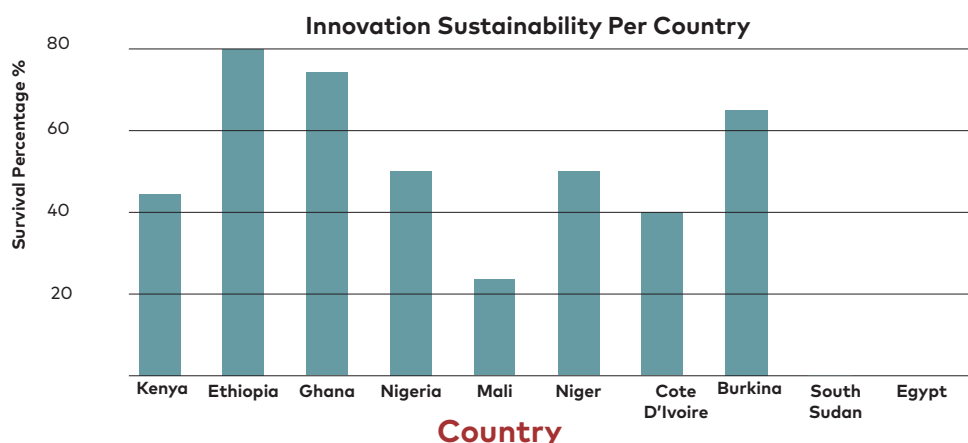
2SCALE supports food system transformation through its green innovation work, ensuring sustainable access to context-specific innovations (on-farm and off-farm) by value chain actors. Food systems are complex and may differ from one region to another, requiring a robust approach that considers the local context in each of the 62 partnerships supported by the program. The green innovation strategy of 2SCALE does exactly this.

Since 2019, 2SCALE had supported the scouting, screening, and piloting of several green innovations. As of December 2021, more than 60 pilots had been implemented in eight countries, the majority of which were in Nigeria and Kenya; Côte d'Ivoire and Niger had the least number of pilots. Most of the pilots (62%) were related to on-farm good agricultural practices and climate-smart farming techniques. These were informed by the needs expressed by the partnerships, as climate change is having a significant negative impact on farm productivity. The need for digital innovations became more important following the pandemic, which accounted for the rise in the demand for digital agriculture innovations, with nearly 18% of all pilots implemented advancing.

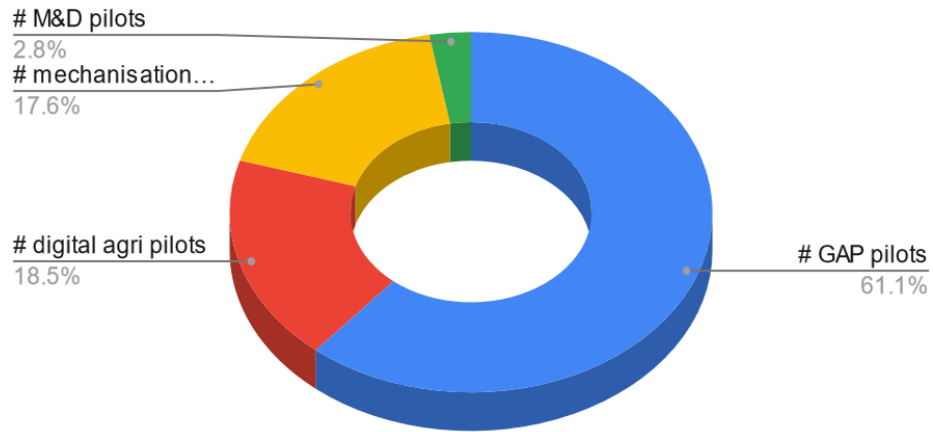
In 2021, the priority was to evaluate these pilots and move successful ones to the replication or scaling phase and make them sustainable. 2SCALE, through its collaboration with the Centre for Frugal Innovation in Africa (CFIA), hosted students who conducted some of these evaluations. Although the evaluations are still ongoing for some pilots, initial analysis shows that most on-farm pilots proved successful and were easily adopted by users (mainly farmers). The use of climate-smart seed varieties was highly adopted by most partnerships, including the Tays onion, Kedan maize, Siguida Yeelen rice, and CCPHN potato PPPs, among others. In Burkina Faso, farmers adopted Fertiplus, a yield-improving and eco-efficient organic fertilizer that was introduced through demonstration plots established jointly with the distributor in the 2019/20 production season. The sustainability of digital pilots is still a challenge for most partnerships. The cost of subscription, for instance, is too high for most users, especially smallholder farmers. 2SCALE will be exploring ways to ensure higher sustainability success in the coming year, especially as it begins to phase out. Pilot sustainability also varies by country, with Ghana and Kenya recording the highest success rates. Lessons from these partnerships will guide how other partnerships can achieve similar outcomes.

Despite the high number of on-farm innovations implemented, the adoption rate is still low in some countries, such as Côte d'Ivoire. However, other countries, such as Nigeria and Ghana (where innovation implementation started early), have recorded very high adoption, resulting in achievement of the country targets on eco-efficient production. Most of these innovations were piloted on a small scale, and even though early adoption was observed, the program anticipates many more farmers will adopt these innovations in the coming year. Efforts are being made to accelerate adoption by deepening farmers' appreciation of these innovations and facilitating their access to them. For instance, in Ghana, 2SCALE is supporting Faranaya to expand its community seed multiplication model by involving more youth and women in the production of high-quality climate-resilient sorghum seed varieties to be supplied to farmers. In Burkina Faso and Nigeria, farmers have been linked to distributors of Fertiplus organic fertilizer and plans are advancing to supply the product in the coming seasons.

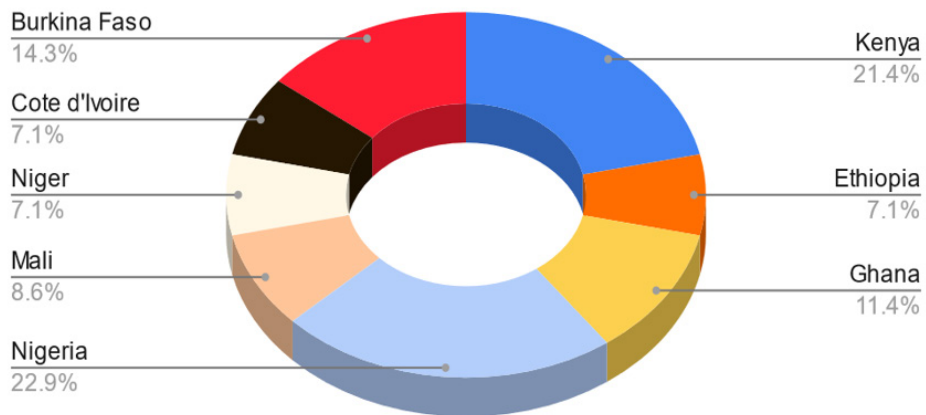
In 2022, 2SCALE will focus on providing support to sustain the many piloted innovations. Positive signs of sustainability have already been observed across all countries, with Ethiopia, Ghana and Burkina Faso recording more than 60% sustainability of all innovations piloted (see chart below). In the coming months, more support will be geared towards countries with lower sustainability rates including Mali, Cote D'Ivoire and Kenya. No new pilots are foreseen. However, exceptional cases are possible in Egypt and South Sudan, where partnership development is in the early stages. Digital innovation pilots may also be organized with digital incubators in the Sahel region (Burkina Faso, Mali, and Niger) to boost their adoption. Replication and scaling of successfully piloted innovations will be supported to ensure higher adoption rates to achieve the program UII on eco-efficient production by the end of 2022.



Pilot distribution across innovation categories



Pilot distribution in 2SCALE countries



Gender equality and women's economic empowerment

Fostering an enabling environment is important to 2SCALE's Reach-Benefit-Empower strategy for gender inclusion. 2020 achievements followed this approach with a focus on creating economic opportunities, increasing soft and technical skill trainings, and providing experience and networking platforms for women and the youth.

In 2021, these achievements were built upon, which allowed more strategic development for gender equality and women's economic empowerment within 2SCALE partnerships.

Replication and cross-learnings that favored women entrepreneurs' inclusion at the production, processing, and distribution levels took place. These activities were mostly based on last-mile distribution for the BoP, business techniques for product diversification, and community funding through village savings and loan associations (VSLAs) for raw materials and processing equipment as seen in the cereal and oilseed sectors for Tegemeo in Kenya and Tsehay and Damascene in Ethiopia.

Moreover, men and women who have been empowered to empower have contributed to motivating other actors to seize value chain opportunities. In fact, business champions and BSSs from Syndicated Rice in Côte d'Ivoire, Ainoma in Niger, and Keitala Negoce in Mali have offered internships and full-time jobs, reviewed employee work conditions, especially for women at site level, and taken a stand at national platforms and fairs to encourage and motivate young women in agribusiness. With 147 trainees and counting, the aya approach for women's economic empowerment was also a catalyst of the latter in Nigeria in 2021 and other countries.

This positive progress, however, was limited by the pandemic-related economic slowdown, conflicts in some areas, and areas of drought, which induced higher costs of doing business from production inputs to raw materials and finished products. Partnerships' plans on scaling up women-focused activities were affected by low yields and reduced purchasing power for business and for consumption. This was the case in the soybean partnerships of Vester in Ghana, SIATOL in Burkina Faso, and Prosoya in Kenya, where high prices and soy unavailability were observed. Rising security concerns in some regions in Ethiopia, Nigeria, and Mali also affected activity implementation. For women's economic empowerment, these included trainings on good quality, branding, and market sales facilitation.

Overall, two words exemplify the way forward for approaching women's economic empowerment: resilience and innovation. To sustain our efforts in 2022, the identification of small innovations and adaptation of business models to support inclusiveness for gender equality will become the new focus. Sensitization and training with contextualized gender equality and equity

tools will still be done on an as-needed basis. Men's and women's contributions to discussions on conducting business together during difficult times (i.e., COVID-19, climate change, and political unrest) will be encouraged during business and ABC meetings. Finally, networking platforms for sustainable growth will also be given attention to create more opportunities and an enabling environment.





Youth inclusion

Despite the global challenges, 2021 was an impactful year for youth inclusion in 2SCALE. 2SCALE continued to consistently apply the Opportunities for Youth Employment (OYE) Push-Match-Pull-Enable approach to incubate and empower young people with marketable and professional business development skills, linking them with markets and economic opportunities as identified in the different PPPs. Building on 2020 momentum, the program supported the creation of additional non-farm employment opportunities for 9,152 young women (3,503) and men (5,649). As well, 4,411 young MSMEs (2,548 male, 1,863 female) were connected with different agribusiness partnerships. This support helped young smallholder farmers to improve their agricultural enterprise productivity, income, access to additional markets, and employment options. In hindsight, critical barriers preventing young people's entry into the entrepreneurship space, such as access to finance, startup capital, social capital limitations, and inaccessibility of related support structures, were identified and addressed by connecting trained youth with financial service providers, positioning youth as part of VSLA groups for startup capital mobilization, facilitating youth business networking, and providing market exposure with experienced business champions for on-the-job coaching and mentorship.

Country teams working closely with the young women and men agripreneurs needed to possess the right skills. As such, capacity building workshops on how to strategically mobilize, identify, profile, and select potential participants were organized. For program exchange and collaboration, 2SCALE worked with the Food and Agriculture Organization of the United Nations (FAO) to increase youth engagement in agri-food systems in Africa, including youth-led business incubation and support. Young agripreneurs also

attended the OYE International Conference, hosted by SNV and the Swedish International Development Cooperation Agency (Sida), held in Ethiopia in October. This helped to highlight 2SCALE program achievements, enhance awareness of the benefits of PPPs in creating sustainable opportunities for young people, and promote youth as good for business.

Areas that need improvement include early-stage PPPs that need more time to internalize processes related to youth mobilization for employment opportunities. Youth access to finance remains a challenge to be addressed (working capital for youth, including MSMEs, to scale up). Young female entrepreneurs still face more adversity compared to their male counterparts, which needs more attention. Early-stage youth-led MSMEs require structured medium- to longer-term support beyond mentoring and coaching. 2SCALE has found that a holistic approach for youth capacity building is necessary, youth and champions need to be in a win-win business relationship to succeed, and room for flexibility to manage attrition rates should be integrated to cope with a high turnover among youth. To ensure youth-inclusive agribusiness sustainability, 2SCALE will continue to implement the collaborating, learning, and adapting approach by involving national and local stakeholders for increased youth support.

Going forward, 2SCALE will put more effort into strengthening youth positioning in agribusiness clusters and will continue to address key constraints for them to thrive and benefit from the increasing business transactions handled by different value chain actors in all 2SCALE countries. 2SCALE will continue to empower young people, facilitating youth access to productive resources and ensuring structured youth-led MSME support for jobs and income.

Financial inclusion

Agribusiness development requires an enabling environment: among other areas 2SCALE focuses on financial inclusion. Several strategic financial institutions used 2SCALE partner firms as a channel to deliver financial services to SHFs. For example, in Kenya, KDPL - a 2SCALE partner firm was designated as 'VC financing facilitator'. The MFI (Taifa Sacco), and cooperative bank discounted invoices and disbursed USD 1.5M worth of payments from milk proceeds supplied to the offtake markets benefiting about 5,000 SHFs.

In 2SCALE Francophone countries, linkages of PPPs with local financial institutions ASIENA, GRAINE SA and MECRA in Burkina Faso, UNACOOPEC in Côte d'Ivoire, PROXIFINA in Niger and with other funding partners (UN WOMEN and USAID in Mali, IFC in Burkina, West Africa Trade, and Investment Hub) were brokered. The financing conditions of impact investors were stringent accelerated by perceived risk impacted by Covid-19 on businesses, whilst most of the local financial institutions suffer low liquidity, most of the ABCs actors are not investment ready - poorly equipped with financial information required by investors (e.g., business plan, audited financial statements, including convincing purpose of their financial needs, etc.).

In 2021, we developed a financial readiness inventory - a by-product of analytical work (quality of the portfolio) to use as a foundational reference document to guide PFs while matching demand-side with the supply-side. Also, to use the inventory as a baseline of knowledge from which to evaluate PPPs investments readiness (Diamond, Gold, Silver, Bronze and others/not ready), thus inform AAPs implementation, guide R&As, integrate resources, create synergies, and minimize duplication of effort within PPPs on financial inclusion activities. Over 80% of the current portfolio is not attractive to formal financial investments – a daunting task on viability of their business models.

For all investees ready to attract formal finances we further conducted financial analysis. This entailed development of 17 investment pitch decks exclusive of the phase 1 low intensity support cohort. We further segregated the investment pitch decks into Francophone and Anglophone to align to impact investors interests. For example, in 2SCALE francophone countries, 5 pitch decks were prepared (SIATOL, NANALIM, LOCAGRI, CCPHN and SCS) and presented to CFC, AgriFi, USAID Jordan PSE GDA APS, and other impact investors. The analytical report shows that all the 5 PPPs needed additional support to meet the requirements of impact investors, particularly the proof of profitability and resilience of their business models.

To guide the development of innovative financial products, we conducted VC cost structure analysis for Key PPPs in Kenya, Mali, CIV, Niger, Burkina, Ethiopia, Nigeria, and Ghana. Out of the 10-cost structure analysis conducted, 2 concept papers inviting DFIs (development finance institutions) to participate in the financing of the ABC actors were developed with all the VC cost structure studies providing suggestions on how to improve the competitiveness of the supply chain arrangements including through digital solutions, and several financial deals were commissioned.

2SCALE donation-based crowdfunding platform, ran a second round of fundraising. A total of 50 M/SMEs from Kenya, Mali and Nigeria were able to raise about \$300 within one month of running campaigns. In Mali, most companies mobilized funds beyond their expectations (AGRISEM SARL 179%, UTC MALI 176%, UCODAL 158%, MAMALI MORINGA 137%). The platform enabled the MSMEs build, showcased, and shared their pitch resources needs, to mainstream their business models.

Over 80% of PPPs face challenges of accessing financial services from formal sources, action was on formation of the Village Savings and Loans Associations (VSLAs) to reach segments (e.g., women and youth) that are often excluded from banking services. Training/retraining's of trainers (PF, BSS, and coaches on the 2SCALE VSLAs approach) were conducted online and in-country with mobilization of savings and re-investments worth more than USD 4.5 million getting realized. To go to scale, a corporate partnership is signed with CARE to implement VSLAs approach in the countries where the 2 organizations are operational.

In this period, the focus was on data analytics, brokerage, and capacity strengthening activities tailored to the priority financial needs of all the ABC actors.



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**FARANAYA VILLAGE SAVINGS AND LOANS
(VSLA) GROUP**

Faranaya Village Saving And Loans
(VSLA) Group

MEMBERSHIP PASS BOOK

MEMBER NAME: Moses
ADDRESS: Tinmeela
PHONE: poedegun

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