





IMPROVING SOCIAL ENTREPRENEURSHIP FOR FOOD SECURITY

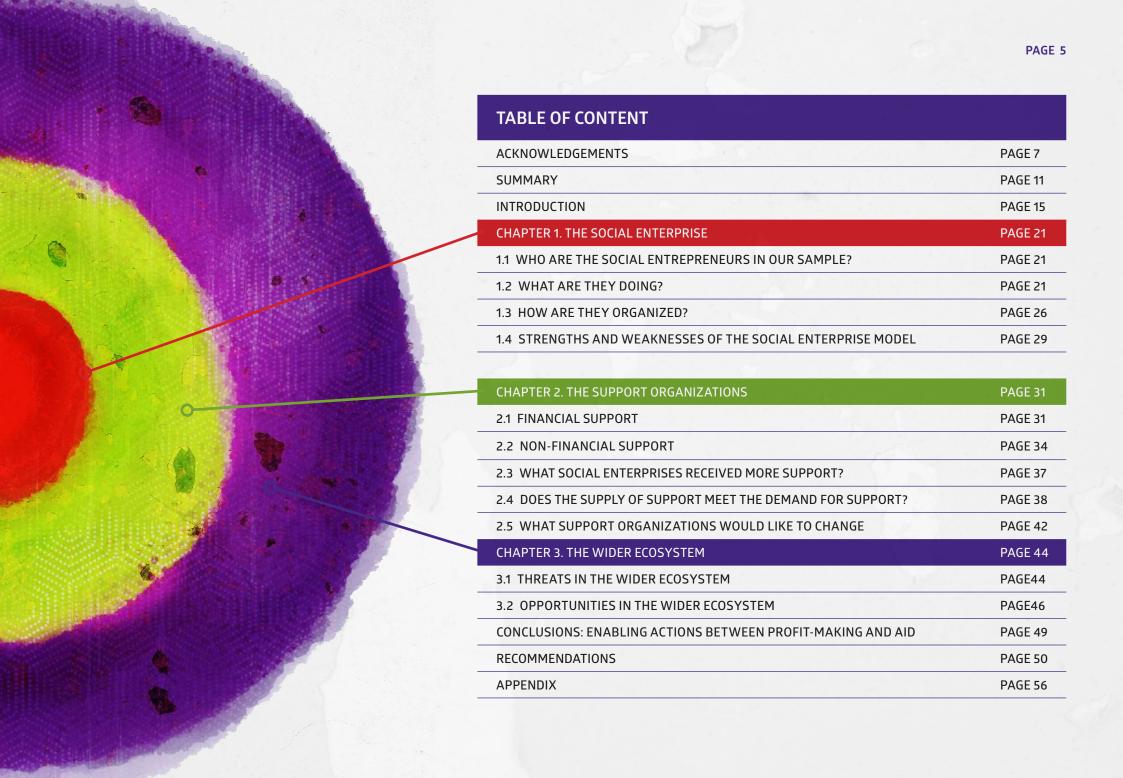
New insights through a bottom-up and interactive mapping approach in social entrepreneurs in food value chains within their supporting ecosystems in Kenya, Ethiopia, Bangladesh, South Sudan, Indonesia, Benin and Ghana.



# SES: Social Entrepreneurship Support

At the start of this mapping project it became clear that there was commitment at the teams to continue the information and knowledge exchanges after the mapping.

Therefore, the Social Entrepreneurship for Food Security Support (SES) initiative has been launched by SocietyWorks (Margreet van der Pijl) in cooperation with knowledge broker Evert-jan Quak to follow-up on the recommendations, insights and conclusions from this synthesis report. See more on SES in Follow-up plan at the end of this report.



Synthesis report February 2017 Author: Evert-jan Quak Conducted by Society Works and supported by the Food & Business Knowledge Platform (F&BKP)

Actions between profit-making and aid: improving social entrepreneurship for food security. New insights through a bottom-up and interactive mapping approach in social entrepreneurs in food value chains within their supporting ecosystems in Kenya, Ethiopia, Bangladesh, South Sudan, Indonesia, Benin and Ghana

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All photos in this report show entrepreneurs that were part of this mapping project and have the permission of the related Linking Pins to be published only for this publication.



# Acknowledgements

Society Works conducted this mapping project on social entrepreneurship for food security that was granted and supported by the Food & Business Knowledge Platform (F&BKP) in the Netherlands. The findings of this mapping project have been synthesized in this report. The mapping and data collection was only possible thanks to the dedication of the "Linking Pins" in the seven countries (Kenya, Ethiopia, Bangladesh, South Sudan, Indonesia, Benin, and Ghana) involved in this project. The Linking Pins are working for or with local organizations that support social entrepreneurs so that they are all well positioned to connect to a large network of social entrepreneurship in each country.

This synthesis report could only succeed with insights from 152 social entrepreneurs who kindly gave their time to fill in the survey. A selection of them also attended focus group discussions in their countries where they shed more light on the support for social entrepreneurs in the food security sector together with some representatives of support organizations.

The report, composed by knowledge broker Evert-jan Quak, seeks to summarize and analyse data from the surveys and the conclusions from the focus group discussions in the countries. A full list of social enterprises that participated in this project can be found in the Appendix of this report. Finally, the Dutch Embassy food security experts in the seven countries that were helpful in answering questions, reflecting on the project, and cooperating with the Linking Pins deserve some big thanks. Particularly, we would like to thank Arman Khan (Bangladesh), Worku Tessema (Ethiopia), Melle Leenstra and Sanne Willems (Kenya), Peter Le Poole (South-Sudan), Sarah Sijses (Indonesia), Thierry van Helden (Ghana), and Annelies van den Berg (Benin).

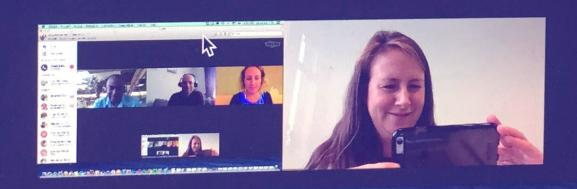
# About the F&BKP and Society Works:

The Food & Business Knowledge Platform (F&BKP) is one of the five Knowledge Platforms for global development initiated by the Dutch Ministry of Foreign Affairs. Within this Platform, international networks and organizations of business, science, civil society and policy collaborate in the field of knowledge for food and nutrition security. www.knowledge4food.net

Society Works is the social enterprise of Margreet van der Pijl in which she works together with a group of professional freelancers to establish and empower groups of skilled and ambitious people to organize themselves in new and influential structures. www.societyworks.nl



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# The team of "Linking Pins"



Muhaimim Kahn – Better Stories – Bangladesh Muhaimin is the Chief Operations Officer at Better Stories, an ideas agency and the first incubator in Bangladesh, established in 2008 to stimulate entrepreneurship.



Fajar Anugerah – Kinara Indonesia – Indonesia Fajar is a senior partner at Kinara Indonesia, which is an early stage investor in Indonesia that designs and delivers capacity building activities for social enterprises and impact businesses.



Markos Lemma – Iceaddis – Ethiopia

Markos is co-founder of Iceaddis, a community oriented innovation hub in Addis Ababa since 2011. He has worked over six years on the topic of social entrepreneurship.



Ghana (in cooperation with Impact Hub Accra)
Maxwell is the founder and CEO of Vandzilah Technology, which is a proactive and solution driven IT organization where strategic planning is based on well informed data for development.

Maxwell Van Dzilah - Vandzilah Technologies -



Bikundo Onyari – Art of Hosting Kenya – Kenya (in cooperation with Tangaza University College, Nairobi)

Bikundo is a social entrepreneur and coaches and trains corporate changemakers. He has worked as an MBA

Business Coach for social entrepreneurs.



Louis Agboku – Blogger and consultant – Benin (in cooperation with EtriLabs)

Louis is an engineer of rural development and consultant in agricultural entrepreneurship. His network expands to young entrepreneurs in the agricultural sector, and he is an active blogger.



Lagu Stephen - JubaHUB - South-Sudan

Lagu is the founding Executive Director of KAPITAL and JubaHUB. It enables youth to innovate for South Sudan across multiple sectors, including agriculture.

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# Summary

Within a period of four months (September until December 2016), contact persons (Linking Pins) that work for or with local organizations that support social enterprises in seven different countries (Ethiopia, Kenya, Bangladesh, Indonesia, South-Sudan, Ghana and Benin) gathered information from 152 social entrepreneurs in their network that work on food security from food production, food manufacturing, food distribution, to food consumption. Below are the most interesting findings gathered from the data:

#### The social entrepreneurs:

- The 152 social entrepreneurs in our sample work in food value chains, mostly in food production, and are located mainly outside the metropolitan areas. They also mostly have poor remote rural farmers or fishing communities as a target group.
- Social entrepreneurship appeals in particular to youth in low and middle income countries. This group sees market opportunities to build a business case based on a combination of technical and social innovations while serving local communities with "home-made" domestic solutions.
- Social entrepreneurs in the food value chain have to deal with some important food/agriculture specific challenges. For example, they have to work with mistrust amongst many farmers who have been exploited by middlemen that took advantage of weak rural market networks. There is a high-level of illiteracy amongst smallholder farmers, which increases investments in time and money in partnering with them or upskilling farmers to use their products and services.

- The added value of the social entrepreneurs relies on the social impact while operating as a business with clear intentions to impact over thousands of people per social enterprise, while their direct employment remains quite small with many employing less than ten people. Impact measurement is not the priority for the group of social entrepreneurs, yet knowledge and budget restraints prevail.
- In the mapping sample, most of the social enterprises that run a hybrid business model (combining an earned income from the market with additional funding) are not aware or interested in an exit strategy. They remain dependent on funds and/or look for (more) funds to continue doing business. Having said that, a majority of the social entrepreneurs in this sample do not get any funding (intended or not) and are dependent purely on the market to earn an income.

#### The support organizations:

- Support to social enterprises in the food value chain is diverse.
   There is a distinction between financial support and non-financial support. There is support that focuses on entrepreneurial skills, networking, agricultural advice, and technical development. In our sample, most support that social entrepreneurs received came from NGOs and foundations. Non-financial support is more national and less international oriented, while financial support is more international oriented.
- Half of the social entrepreneurs in the sample received neither financial nor non-financial support from professional regional, national, or international organizations or institutes. The main reason for this lack of access to support for social entrepreneurs is the nonexistence of a network and awareness about available support out-

side their own community. For the social entrepreneurs that could receive support, the provided support was mainly non-financial and based on agricultural advice, networking support, and for better access to target groups.

- The added value of support for the social enterprise is not related to the distinguished kinds of support they are seeking, but for the recognition as a group of entrepreneurs that deal with far more complex challenges and take more risks than others. Social entrepreneurs indicated that this requires special expectation levels from any support organizations towards the social enterprises in the food value chain.
- Entrepreneurial support was limited to only 30 of the 152 social enterprises. Such specialized support comes from entrepreneurship programs, incubators, hubs and labs (set up by international and national foundations, NGOs, government agencies, and private sector actors) with the aim to improve entrepreneurial skills and business models. Support organizations that focus on entrepreneurship skills are mostly located in the largest cities without sufficient awareness of what happens in rural areas.
- Support by NGOs, incubators, impact investors, and government agencies, among others, should not be based on a one-size-fits-all approach. This is due to the existence of very different social entrepreneurs in the food value chain regarding where in the value chain they operate, their business model, social mission and target group, their paying customers, if they work in the formal or informal market, and the different contexts of regions and countries.
- Support should become less top-down organized, better connected with actors in the food value chain, more focused on mobilizing local communities, and establish a dialogue platform among support organizations with the aim to spread support more equally. Organizations that provide support could build community-based

- initiatives to stimulate social entrepreneurship at the roots, for example. This helps to bridge the gaps between supply of support and demand from social entrepreneurs, and in the longer term could improve the quality and impact of social entrepreneurship in the food value chain.
- Social entrepreneurs recognize that they are part of the solution and should work on self-organization. They should act more as a group and connect better with rural communities in finding solutions for challenges. However, they need some kind of support and coaching to create a movement of social entrepreneurs for food security.

#### Actors in the wider ecosystem:

- Governments play an important role as enablers of social entrepreneurship. Social entrepreneurs will benefit as they can register as a subgroup in the companies register and in the established databases of social enterprises, which will be accessible for all stakeholders in the support ecosystem. Governments could also include social enterprises in public procurement mechanisms by accepting that they might pay a bit more but could increase social impact among vulnerable groups in the society.
- Private sector actors could cooperate with social entrepreneurs as partners to implement inclusive business models as they are embedded into local communities. Social entrepreneurs could also be strategic partners with businesses in other corporate social responsibility activities, like on sustainable supply chains. Agribusinesses could set up and coordinate with partners' national or regional support infrastructures for social enterprises (e.g. incubator or accelerator programs) to stimulate social innovation in the food value chain.
- Social entrepreneurs are treated too much like a separate group with their own institutions and networks yet without influential linkages to important actors in the wider ecosystem.

Therefore, all actors (corporations, governments, and civil society) should be sensitized by awareness campaigns, exchanges of best practices, and dialogues and look for ways to create partnerships with social entrepreneurs and their support organizations by looking at their unique role and contributions in the domains of food security, private sector development, employment creation, and inclusive business models. Partnerships between social entrepreneurs with corporations (e.g. CSR activities), governments (e.g. food

security policy initiatives), and civil society (e.g. lobby and advocacy) will only occur if social enterprises can show more adequately their added value, their special role in the market, and the social impact they create. The support organizations could offer tools to make their impact more visible.



## **STRENGTHS**

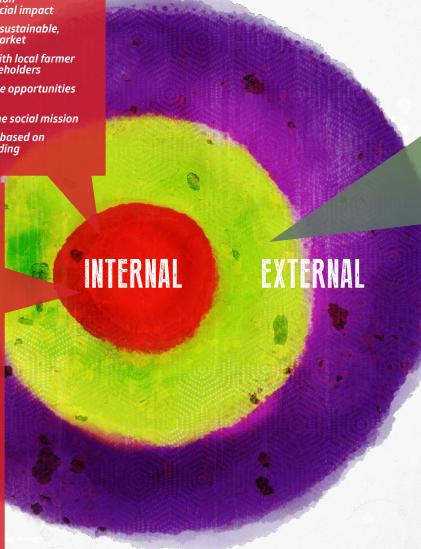
- > Social enterprises operate in a niche market combining entrepreneurial values with social values
- > They are based on social and technological innovation with the aim for change
- > High level of passion and motivation of the entrepreneurs to deliver social impact
- > Social enterprises create quality, sustainable, ethical products in a niche food market
- > They use expertise and engage with local farmer communities and other local stakeholders
- > Social entrepreneurs believe in the opportunities of sharing
- Committed staff that embraces the social mission
- > Social enterprises only succeed if based on cooperation and partnership building

## CHALLENGES/WEAKNESS

- Weak business skills among social entrepreneurs
- Lack of financial means hold back upscaling investments
- > Lack of computer skills and quality machinery hampers efficiency
- High rate of illiteracy among customers and target groups, and among some social entrepreneurs
- Social enterprises work with small teams, which are difficult to offer marketbased wages
- Social enterprises have weak networks in other parts of the country or outside their community
- > Distance between farmer and market is large as social enterprises partner frequently with more remote located communities, which increases costs of services, farm inputs, and food products
- > Easy to replicate services and products by competitors
- > Difficult to understand the whole food value chain for the social entrepreneur and his or her small team

# SWOT ANALYSIS

Based on information from 152 social entrepreneurs in the food value chain in seven countries



## **OPPORTUNITIES**

- International development policies focus more and more on linking private sectors with aid agendas, and what gives social entrepreneurs the opportunity to become actors due to their unique role between profit-making and aid
- > More political interest and increasing investments in agriculture
- There is an increasing domestic and international demand for quality, healthy, and organic products
- > Access to markets, knowledge and technology has improved in recent years
- > There is an increasing public awareness on the importance of sustainable agriculture
- > There is a trend of improved linkages and cooperation opportunities between social enterprises and development organizations
- > Availability of trainings, capacity building, and general information has increased
- > Local communities are willing to team up with social entrepreneurs

## THREATS

- > Extreme weather and climate change increases the risk of losing money
- > Increasing competition in export markets
- > Bad infrastructures limit access to markets and increases costs
- > Political instability
- > There is a risk of cheap imports of the same products
- > Weak internet connections
- > Bureaucracy and corruption
- > Weak social entrepreneurship promotion or registration opportunities
- > Promotion of pesticides and unsustainable agriculture methods
- > Farmers as customers are not always reliable
- > The anger and power of the middlemen
- > Political instability and insecurity

### Introduction

# The importance of social entrepreneurs for food security

All over the world an increasing number of people have decided to become a social entrepreneur by doing business while aiming for social impact. This synthesis report of the Social Entrepreneurs for Food Security Mapping Project looks exclusively to the group of social enterprises that tackle food insecurity and malnutrition.

The concept of social entrepreneurship suits well for food security activities as it increases the opportunity to improve (rural) employment, to empower (rural) communities, and to tackle all kinds of constraints in the food value chain. Private sector actors (e.g. short-termism), public sector actors (e.g. budget constraints), and civil society (e.g. entrepreneurial limitations) leave many options open for improvements to tackle food insecurity and malnutrition. Therefore, it is social entrepreneurs' mission to fill this niche by combining social and entrepreneurial values.

Social entrepreneurs are frontrunners with the ability to spot market opportunities while generating social or environmental impact. They are also frontrunners in practicing inclusive business models, shifting from a shareholder to a stakeholder oriented business model, and are often (social) innovators by quickly adopting new technologies, ideas, and structures in their enterprises. As such, the concept of social entrepreneurship connects various domains of interests on entrepreneurship (private sector development), inclusive businesses, (rural) employment, and food security (see figure 1).

A focus on social entrepreneurship gives the opportunity to provide sustainable and innovative solutions to tackle local problems in the

(RURAL)
EMPLOYMENT

SOCIAL
ENTERPRISE

PRIVATE SECTOR
DEVELOPMENT

FOOD
SECURITY

food value chains that include local communities. If the social business model is well executed and includes partnerships with important stakeholders, it could result in spin-offs to more communities, sectors and regions with social entrepreneurs as change agents for food security.

#### More insights necessary

An in-depth literature review (F&BKP, August 2016) has preceded this mapping project.¹ Thanks to the review, a clear view had emerged on the main opportunities, challenges and lessons learned of some social entrepreneurs working on food security and the essential role of a supporting ecosystem. However, the picture

F&BKP/ Evert-Jan Quak
(August 2016) "A balancing act between social and
entrepreneurial values with
the aim to increase food
security". Retrieved from the
Food & Business Knowledge
Platform website:
knowledge4food.net/
new-fbkp-literature-review-social-entrepreneurs-change-makers-food-security/

remained incomplete. Very few studies on social entrepreneurship focus primarily on food security; a clear overview on who and what is supporting the social entrepreneurs in the food value chain was not available. Also, most studies on social entrepreneurship are carried out top-down and in a one-way direction through institutions like hubs, labs, or incubators where often similar social entrepreneurs are being researched.

The conclusion was that more focused research from the perspectives of the social entrepreneurs would result in new insights in themselves and the organizations that support them. This mapping project on social entrepreneurship for food security builds further on the knowledge and recommendations from the literature review through a more bottom-up methodology. The conclusions from the literature review were the starting point for the questions in the mapping project.

#### The mapping project has four main objectives:

- identify through a bottom-up approach social entrepreneurs that are not necessarily (yet) part of the mainstream support system for social enterprises;
- collect practical information and get insight in their strengths and weaknesses;
- identify through the social enterprises from whom they get support and what support is an offer for them;
- gain insight in their main opportunities and threats in the wider ecosystem (political, social and economic trends)

Based on findings in seven partner countries, policy recommendations have been formulated and with possibilities for next action steps for social entrepreneurs themselves, the organizations that give them active support (like hubs, incubators, NGOs), and other

actors that can influence the wider ecosystem of social entrepreneurs in the context of food security (governments, private sector, development community).

#### How did we conduct this mapping project?

At the core of this mapping project, there are social entrepreneurs with activities in the food value chain from food production to food consumption, including fisheries. The main research questions were:

- Who are they and what they are doing?
- What impact does this have on food security?
- How they are organized (legal status and decision-making process)?
- What and who is supporting them to tackle their biggest challenges?
- What further opportunities and threats do they see for themselves and their (supporting) environment?

Due to their vital role in identifying and connecting with a wide variety of social entrepreneurs in the networks of Society Works/Impact Hubs, the local project teams in seven Dutch partner countries were led by "Linking Pins". Four of these Linking Pins are part of a support organization themselves (in Bangladesh, Indonesia, Ethiopia, South Sudan), and the other three work closely with support organizations (in Ghana with Impact Hub Accra, Benin with EtriLabs and Kenya with the social entrepreneurship program within the Tangaza University College). Their main task was to identify and understand the variety of social entrepreneurs in the food value chain in their country to map out their surrounding ecosystems (supporting organizations, government entities, NGOs, businesses, donors and knowledge institutes). They made use of the questions as mentioned above. The Linking Pins used their connections in different parts of the



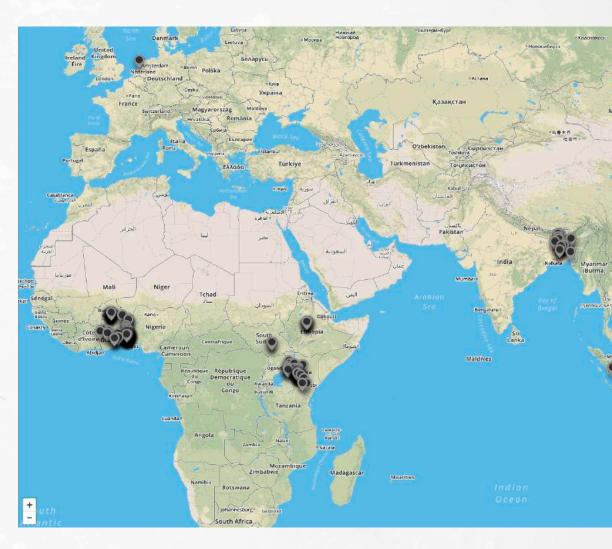
country to find social entrepreneurs as there is no register available of social enterprises in these countries. Several people in their network gave cases of social entrepreneurs in the food value chain from different regions in the country. Each local project team had five weeks to carry out the survey and focus group discussions. During this time, the project coordinator of SocietyWorks from the Netherlands coached them. The project was planned around three rounds in which two to three countries participated. After each round, the local teams presented and discussed their findings to the project team in the Netherlands via Skype. During the process, the local teams were also connected to a contact person of the Dutch Embassy that is working on food security.

The Linking Pins used their connections in different parts of the country to find social entrepreneurs as there is no register available

The approach that has been used is based upon the *Scrum/ Agile methodology*<sup>2</sup> whereby the focus is on empirical feedback, team self-management, and giving incentives to increase the success of follow-up activities. With this mapping exercise, social entrepreneurs are connected in such a way that they can be involved anytime with follow-up activities. Importantly, the Linking Pins were not just searching for social enterprises through the dominant support organizations like well-known local hubs, labs, or incubators because that would have limited the scope of the mapping to entrepreneurs that already have access to specialized support.

#### Who participated in the mapping project?

The countries that have been selected for this mapping project came from the list of the 15 partner countries of the Dutch policy for Development Cooperation. One of the criteria was that the embassies



in the partner countries have identified food security as one of their main policy areas. The decision was made to select countries in different stages of development in various regions with different backgrounds because this could shed better light on what support really means for the further development of social entrepreneurship

2

Here is the link that explains the Agile methodology: agilemethodology.org/



See here the Ushahidi map "Social Entrepreneurs for Food Security" <u>socialfood</u>entrepreneurs.ushahidi.io/ views/map in the food value chain, sometimes in very difficult circumstances. The seven countries that have been selected are Ghana, Kenya, Ethiopia, South Sudan, Benin, Bangladesh and Indonesia.

Through the networks of the Linking Pins and their organizations, basic information of 256 social enterprises has been mapped in an online *Ushahidi tool* that was set up for this project.<sup>3</sup> Not all completed the whole survey however more specific data was received from 152 social entrepreneurs via an online survey. After the data gathering, social entrepreneurs were invited by the local project teams for at least one focus group discussion of 20 participants in each country to discuss their challenges and support, together with several actors from support organizations in their countries.

It was never the aim of this project to collect a representative sample of the social enterprises in the seven countries as an official registry of social enterprises does not exist in these countries.

Yet, this further emphasizes the necessity for a bottom-up mapping approach.

#### The social enterprise definition problem

Identifying social entrepreneurs was not an easy task for the Linking Pins and their teams. As the literature review already had concluded, there is not an agreement on the exact definition of social entrepreneurship. However, social entrepreneurship can be framed around a set of essential values, which the Linking Pins used in their search:

- The economic or entrepreneurial dimension guarantees that the productive activity represents the reason for its existence.
   This is important because it excludes NGOs and other charity-related activities.
- At the heart of the social enterprise is the social mission with the intention to increase social or environmental impact.
   This will exclude enterprises that are not primarily profit-seekers in their existence.
- Decision-making is not based on capital ownership, but on the voice of stakeholders who are affected by the activity. This means that the voice of local communities and other local stakeholders must find a place in the governance structure of the enterprise to increase social impact.

In theory, there is a difference between a "social enterprise" and a "social business". A social enterprise is an organization that makes use of a hybrid business model and allows funding and social capital through donations. A social business is an organization that is completely financially self-sustainable.<sup>4</sup>

The focus of the mapping project is on both aspects as in practice it is difficult to separate them. Focusing just on the social businesses would mean the exclusion of important start-up social enterprises and social entrepreneurs that work with vulnerable communities as they depend on additional donor money. Furthermore, hybrid structured social enterprises should aim for financial in-dependency in a later stage and would rather see themselves as social businesses. For both social enterprises and social businesses, growing as a business means increasing social impact.

#### **Conclusions and future ambitions**

This mapping project has been set up from the start to stimulate further activities and as such, this report is the entry point in which the Linking Pins with other stakeholders (local network partners, NGOs, and private sector actors) could embark on establishing new ways for networking and self-organization opportunities for the community of social entrepreneurs within the wider ecosystem. Already, the *Ushahidi* tool could be extended as a communication, knowledge exchange, and engagement tool for further progress of social entrepreneurs and related actors. And already, the connections made between the seven Linking Pin teams have created an opportunity to build further on an international network and a Community of Practice of social entrepreneurs working on food security.

Based on the mapping outcomes (online survey and focus group discussions) of the seven countries, policy recommendations for next action steps have been formulated for actors that can create a better enabling environment for social entrepreneurs and for the social entrepreneurs themselves. However, the aim of this mapping project is not to deliver just a synthesis report with policy recommendations. SocietyWorks in cooperation with Impact Hub, knowledge broker Evert-jan Quak, and the Linking Pins are aiming for follow-up dialogues in the seven focus countries plus the Netherlands where important stakeholders like social entrepreneurs, embassies, NGOs, hubs and labs will develop dissemination, reflection and embedding activities to follow-up on recommendations.



## Chapter 1: The social enterprise

#### 1.1 Who are the social entrepreneurs in our sample?

An important characteristic of the sample of 152 social entrepreneurs from the seven focus countries is that just one in five respondents was female. Bangladesh, Indonesia, and Ethiopia scored the highest among female participants. The majority (64) of the social entrepreneurs in the sample were between 20 and 30 years old, followed by 53 entrepreneurs between 30 and 40 years, and 32 who are older than 40 years. Just 3 social entrepreneurs were younger than 20 years old. On average, the social enterprises have been operating for 4.5 years. A small group of social enterprises are significantly older, especially in Bangladesh and Ghana, with most of them related to existing NGOs, cooperatives and agencies that turned into social entrepreneurial activities.

The origins of the social enterprises can be traced back through three trends. Firstly, there is a desire among development NGOs to become more financially self-reliant and become an entire social enterprise or turn parts of the activities into social enterprises. 5 Secondly, there is a trend in the private sector to do business more socially responsible. This trend is further stimulated by the private sector development approach in which donors and governments assist in the development of "inclusive business" opportunities and subsidize short-term inclusive business activities to mitigate risks that may constrain social innovation or market access. Consequently, entrepreneurs have begun to look at new market segments, for example at the "bottom of the pyramid" in niche markets for ethically produced food, and to social entrepreneurship. Thirdly, a new group of entrepreneurs has emerged: start-up social entrepreneurs who see market opportunities to build a business case based on a combination of technical and social innovation, while serving local communities by developing local solutions for local problems in the food value chain.

In the sample of 152 social enterprises, the majority started out as a social enterprise without ties to previous businesses or NGOs. This explains the earlier mentioned low average amount of years of operation of the social enterprises. Whatever the origins of the social enterprise are, the social entrepreneurs are always socially motivated to bring change, and increase opportunities and choices for underserved poor communities. By doing so and not taking the "easy" route in making money, they fully understand the additional rewards besides profits and bonuses.<sup>6</sup>

Looking at the number of employees, the conclusion can be made that social enterprises are not employing large amounts of people.

Two third (102) are small in terms of direct employment creation with less than 10 working people in the enterprise. Far less (26) have between 10 and 30 employees, and a smaller number (24) employ more than 30 people. Most of the social enterprises with more than 30 employees are related to cooperative structures or NGO related social enterprises.

#### 1.2 What are they doing?

#### Where do they operate in the food value chain?

The 152 social enterprises revealed the involvement of different types of activities within the food value chain. The place of the social enterprise in the food value chain also explains where the business is located. Most of the social enterprises in the sample are located outside the biggest urban centers of their countries - the ones that work in food production and food manufacturing and processing in

Sothy Khieng and Evert-jan Quak (2013), Balancing social and entrepreneurial values, retrieved from the website of The Broker: <a href="www.thebrokeronline.eu/Articles/Balancing-social-and-entre-preneurial-values">www.thebrokeronline.eu/Articles/Balancing-social-and-entre-preneurial-values</a>

vas one of the out-

This was one of the outcomes from the focus group meetings in Kenya. particular. Yet social entrepreneurs are more likely to be located in the biggest cities of their county as they rise in the food value chain or are more technological driven. In the seven countries, the majority operates at the base of the value chain and it gradually becomes less moving up the value chain.

- Food production: Half of the group of social entrepreneurs (76) fall into this section, and they can be further divided into two groups. The first group are involved in giving rural communities access to affordable services (e.g. trainings, management tools) and inputs (e.g. seedlings, fertilizer) that directly improve their farming methods and management (e.g. Essentia Kanan Organic Fertilizer and Composting in Kenya). The other group focuses their activities on producing environmentally friendly and healthy food for affordable prices, while involving rural or fishing communities by training and employment (e.g. Kofi Vinyo Company Limited in Ghana produces food while working with communities on reforestation).
- Food processing and manufacturing: Approximately one in six of the social entrepreneurs (23) fall into this sector. Their main purpose is to add value by processing and manufacturing food. They mostly manufacture niche food products with healthy or organic choices at affordable prices to increase an untapped local or regional market. By doing this, the entrepreneurs increase the market for poor farmers and fishermen on which they depend on for their supply (e.g. Aliet Green in Indonesia works together with 900 organic and fair trade farmers).
- Food distribution and marketing: Approximately one in five of the social entrepreneurs (29) focus their activities to get better deals for farmers and fishermen by skipping the middlemen and open new markets. For example, they make use of (online) platforms to sell their produce. They earn an income by asking a small commission while cooperating with the farmers and fishermen to improve the quality and quantity of their produce (e.g. Solidarité Plus in Benin



addresses the problem of sell-off for too cheap prices of agricultural products by farmers).

- Food retail and consumption: Only six social enterprises operate at the end of the food value chain. They have their own shops or cooperate with food markets to improve access to healthy, ethical or organic food products (e.g. Wow AgriShop in Ghana). Others run catering services to provide healthy and affordable food for poor communities or schools. Some combine this by providing employment and trainings to disabled people or highly unemployed groups (e.g. Deaf Cafe Fingertalk in Indonesia has an all-deaf team that serves and prepares locally sourced food to urban customers).
- Food knowledge: There were 14 social entrepreneurs that provide knowledge specific services to farmers or fishermen. Their main task is to collect the best knowledge and repackage it in accessible knowledge products for farmers and consumers in their effort for change (e.g. KAPITAL in South Sudan increases food knowledge awareness to players in the food value chain).
- Food finance: Just two social entrepreneurs (both located in Indonesia) work more specifically on provision of specialist financial services for agriculture including crop insurance and credit services (e.g. Crowde in Indonesia, a crowd investing platform that connects farmers with investors).

Two more social enterprises were part of the mapping but without a direct link to the food value chain, nevertheless they have a direct impact on rural livelihoods as their aim is environmental. One fights deforestation by producing charcoal (Bentos Energy, Kenya), the other installs biogas digesters for small cow farmers (Energi Persada, Indonesia).

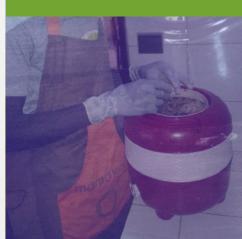
These types of services are by no means unique to social enterprises. Attempts by agri-business to strengthen vertical



# APISERVICES MONDE BENIN

"A world without a bee, is a world without life", would be the motto of John Dari. His environmentally conscious company produces honey and derived products and offers trainings and capacity building to local farmers and young people in beekeeping for intensive production of large quantities of quality, organic honey.

<u>www.facebook.com/</u> <u>apiservicesmonde1/</u>





integration of smallholder suppliers through input supply, extension advice and marketing services is a clear trend in most of the countries. In many cases, the social enterprises are competing with mainstream businesses. However, they accelerate in their social mission, for example, to share net income with targeted communities like in traditional cooperative structures, or they offer inputs or services at much lower market prices, or they focus their efforts on remote communities underserved by the market. They can do this because some social enterprises make use of a hybrid model to top-up self-earned money with donor money, a topic to be explored later. Also, it appears that youth in rural areas are eager to start a social cooperative to tackle food insecurity (see box 1).

#### Social Mission

The social mission is at the core of the enterprise and defines the social entrepreneur. The social entrepreneurs in our sample state that their social missions are: women empowerment; contribution to good health and better nutrition; creating rural employment; increasing productivity of poor smallholder farmers and fishermen; mitigate climate change; increase the demand for sustainable and ethical food products; environmental protection; improve quality of agricultural or fishery inputs; solving the knowledge gap; and secure smallholder farmers' access to high end food markets.

Some address one social problem, but many have a social mission that addresses multiple social problems. For example, they empower women in rural communities by giving trainings, while at the same time brokering a fair deal for their produce for a small commission. One social entrepreneur in Bangladesh stated, "There is a win-win-win situation. Shrimp producers are getting new technology, qual-

ity inputs and services. We create new markets for the producers and have a small profit. Buyers can purchase sustainable produced shrimp and safe food."

#### Target group

The social entrepreneurs focus mainly on one target group. The majority (101) define their target group as poor rural communities with the aim to improve livelihoods. Approximately one third of the social entrepreneurs (49) focus at the end of the value chain and define their target group as poor urban or peri-urban communities with the aim to increase better nutrition. Only one social entrepreneur explicitly targets the middle classes with the aim to change their consumption behavior. Two social enterprises must be labelled as purely environmentally-driven in their social mission.

By looking at the way the social enterprises do business with their target group, they can be categorized into three groups: access-led, ability-led, and knowledge-led. This distinction is important as support organizations have to tailor their support for different social enterprises to increase impact, such as what role the target group plays in the business model.

- Social enterprises that are access-led provide affordable products and services to poor communities.
- The ability-led social enterprises partner with the poor communities on a more equal basis, for example by buying or brokering a deal for their produce.
- To change the behavior or farming methods from the target group, knowledge-led social enterprises improve the access to knowledge services of poor communities.

This mapping shows that 47% of social enterprises (71) fall in the access-led group, 39% of the social enterprises (60) are ability-led, and



14% of the social enterprises (21) are knowledge-led. It might feel strange that more social enterprises are working in food production than that are access-led, however this can be explained by the group that produces sustainably friendly food for the markets while serving their rural communities with free trainings and other services. Their target group is the rural community in which they work and not by selling to them their products, but by partnering with them to improve livelihoods. Furthermore, it can be explained that there are more knowledge-led social enterprises than they see themselves working in the knowledge sector of the food value chain. There are for example several knowledge platforms that provide market information to farmers as they see themselves more related to food distribution and marketing than to the knowledge sector.

Interestingly, Indonesia and Bangladesh are the only countries that have more ability-led social enterprises than access-led enterprises. This could be explained as both countries have much larger domestic urban markets with middle class families in which niche markets can be found for the produce of poor rural and fishermen communities. Also, the urban market provides them with the opportunity to improve the ability of poor urban communities to earn money from selling healthy, organic and locally produced food.

#### **Customers**

Who are the paying customers of the social entrepreneurs in our sample? The target group is not per se the same as their paying customers on which they built their business models. Most the social entrepreneurs (94) rely on paying customers at the upper end of the food value chain, such as agribusiness actors and food consumers (poor or middle class). Their target group could be farmer or fishermen communities, while their paying customers are agribusinesses at the upper end of the food value chain. A bit more than a quarter of the social entrepreneurs (43) depend on their income from individu-

al smallholder farmers' payments that buy farm related services and products from them. A few (15) sell their services and products via a third party (e.g. NGOs or governmental programs) to poor communities that cannot afford buying it individually (e.g. VitaBite Nutrition in Ethiopia offers an information service with a mobile SMS application and conducts trainings for families and health care providers partly paid for by NGOs). It can be concluded that a clear majority of the social entrepreneurs depend on an earned income from the market by selling their products higher up in the food value chain. Poor farmers are a less attractive market as they have a very low budget, which is one of the main challenges for social entrepreneurs (see box 2).

#### 1.3 How are they organized?

#### Legal status

The legal status for a social enterprise does not exist in any of the seven countries. Registration as a company is the most common form with 91 enterprises registered as Private Limited Company, Sole Proprietorship, Joint Venture or Capital Venture. Registration as a Society, Partnership, or NGO was found in 32 enterprises. The remaining part (29) are not registered yet. Bangladesh is the only country where all the social enterprises are registered. Kenya, Indonesia, and Ghana have the highest percentage of unregistered social enterprises. The reasons that were given by the social entrepreneurs are:

- financial constraints due to high costs involved to register;
- problems in getting the necessary papers, for example a birth certificate:
- barely new enterprise that is not making profits yet.

Most of the non registered social enterprises are in the registration process. At the focus group discussions in Indonesia, a common trend was revealed where social enterprises start as a foundation or association of practitioners or producers, then move to cooperatives, and

finally become a Private Limited Company. This shows the path that social enterprises could take from a not-for-profit entity to for-profit entity. In this mapping project, only four are registered primarily as an NGO. Far more have the NGO accreditation (25) and are capitalizing on the advantages of both commercial and charitable legal forms by registering two related legal entities. This happened in all countries, which gives them better access to some services and donor money while registered as a profit making Sole Proprietorship or Private Limited Company. In Bangladesh, only social enterprises that

are accredited as a NGO are entitled to receive donor money.

In our sample from Kenya, Indonesia, Ethiopia and Ghana, social entrepreneurs tend to prefer Private Limited Companies, while in Benin social enterprises prefer Sole Proprietorship. In Bangladesh, there are on average more registered Partnerships, the preferred registration form in Bangladesh, which can be explained by its large NGO sector of which parts have turned into entrepreneurial activities. The only registered Joint Ventures and Capital Ventures came from Indonesia.





In South Sudan, they tend to prefer unions as most of the social entrepreneurs work in cooperative structures.

More than two-thirds of the social enterprises (113) make a profit. Those not making a profit are in the social enterprise business as start-ups or are not-for-profit enterprises. A small group seems to be on the brink of bankruptcy due money loss and/or just managing at the break-even point.

#### Decision-making strategies

As mentioned earlier, social enterprises are not employing large amounts of people. However, looking at the numbers of consumers and target groups, the impact is far larger as the social enterprises – even small ones – can target thousands of people within their business model. There is one important weakness: it is difficult to make any profound conclusions about the real impact on the target groups because it is not yet a priority for the social enterprises to have a systematic measurement of social impact. There is no incentive to measure impact while knowledge and budget restraints prevail. This is a very important weakness as social enterprises must show their *raison d'etre*, their purpose for existence, and added value to any support organization.

What makes the social entrepreneur special is its aim for a participatory governance structure, including important stakeholders like local communities (e.g. target group), clients, partners, suppliers, etc. This distinguishes the social enterprise from a shareholder governance structure. In Ghana, one social enterprise stated that, "Customers provide us with feedback and data of what is currently happening with their production activities, and co-create the solution together with our development team." Surprisingly, just half of the social enterprises explicitly said they have implemented a participative or horizontal governance structure. The reason is that social entrepre-

neurs still see their customers or target group as stakeholders to be "educated" and to change their behaviors in producing or consuming food (healthier, organic, fair prices).<sup>7</sup>

Furthermore, most of the social entrepreneurs focus on generating surpluses that can be distributed to meet a social purpose: by selling more, they can increase impact. They use customers as "trainers for trainers" or as ambassadors for promoting their services and products. In Ethiopia, one social entrepreneur shared that "Our customers are promoting our food services and products, knowing that we are helping and addressing the problem of very vulnerable women." Due to the many challenges they face in running their enterprises, governance and inclusive ownership are not yet the main concerns for most of them. Having said that, it is typical for all of the social entrepreneurs to involve the most important stakeholders in consultations before they make plans or decisions. These people are important for feedback and are asked to help co-design and test services and products, yet the final decisions are still made at the top.

Bangladesh and South Sudan are countries with far less horizontal governance structures than the other five countries. This can be explained by the sample itself as it is not a representative sample, but there could be a link with the organizational culture in the society. The very precarious and insecure situation of doing business in South Sudan creates uncertainty and fear, with trust levels in society at rock bottom.

# 1.4 Strengths and weaknesses of the social enterprise model

By looking at the SWOT analysis that was presented at the start of this report, it becomes clear that for many social entrepreneurs the dedication and commitment of their team are their main strengths. At the same time, they mentioned as a weakness that many employ-

From a focus group discussion in Indonesia.

Mentioned in the Kenya

focus group discussions.

ees are unskilled. The same can be said about the social entrepreneurs themselves. In the survey, the social entrepreneurs mentioned that their strength is to create quality, sustainable, ethical products in a niche food market with a social mission. However, they admit that they need more business skills to succeed as social entrepreneurs. Furthermore, they mentioned that it is difficult to understand the whole food value chain as they work in small teams. This could be an opportunity to offer specific trainings for employees and social entrepreneurs.

Another strength mentioned regarding the social enterprise was that they use the expertise and engage with local farmer communities and other local stakeholders. They believe they can only succeed as social enterprises if they base their business on cooperation and partnership building with stakeholders. Again, the weakness that they mentioned is related to the strength: they have weak networks in other parts of the country or outside their communities. This could be an opportunity to work on meetings to link social entrepreneurs to other important stakeholders that could help them to increase impact (e.g. their strength).

Social entrepreneurs mentioned that their strength is to create quality, sustainable, ethical products in a niche food market.

To overcome this, there is a need to provide social entrepreneurs with support that could give them the best possible position to flourish and generate social impact and significant added value to the food value chain.



# Chapter 2: The support organizations

This chapter will focus on the organizations that support the social entrepreneurs. Chapter 1 already showed that there are very different social entrepreneurs that can be divided not only by their social mission or place in the food value chain, but also between hybrid social enterprises and social businesses, or between start-ups and more matured social enterprises. For support organizations, it is important to understand the differences and special needs and challenges faced by social entrepreneurs. The main question to be answered is: by whom and what are the social enterprises that work on food security, and who is supported?

Before the results are presented, it must be clear what is meant by a "support organization". This is an organization that provides any direct support to a social enterprise on a non-commercial basis. These support organizations are not necessarily purely focused on social entrepreneurs, but they are including them explicitly in their support provisions.

#### 2.1 Financial support

#### Ways of funding

Support can be separated into financial and non-financial support. Social entrepreneurs make use of the market to earn an income. Many prefer a hybrid business model that includes fundraising as they face high logistical and transportation costs, and very low profit margins considering they work with and buy and/or sell from underserved remote rural communities.

In the sample, most of the social entrepreneurs could not find any funding opportunities from the support organizations. Roughly 40 of the 152 social enterprises successfully fundraised money to generate extra income in addition to selling their products and services. In Kenya, Bangladesh and Ethiopia, social entrepreneurs seem more likely to find extra funding. For the majority, the extra income from fundraising is just a small proportion of their total turnover. The amount of funding in comparison to their overall turnover remained very small: with only 6 enterprises with more than 50% of income generated from funding; 8 enterprises with funding rates between 20% and 50%; while 26 had less than 20% additional funding. In Bangladesh, there seems to be more donor-driven social entrepreneurs.

This finding assumes that in Bangladesh some social entrepreneurs are more intertwined with the charity sector.

Not surprisingly, the pure donor-driven social enterprises (6 in our sample) are the most successful in fundraising efforts, while the majority of the group that could find extra funding relies on financial resources others than funds only as main financial source for the enterprise. The idea of funding a social enterprise is based on the assumption that by a certain point they can rely on their own income. However in our sample, it was found that this group of social enterprises have no clear defined exit-strategy. They continue their search for funds and/or become dependent on them for their social mission. The first is especially true for start-ups that are dependent on funds to successfully enter the market. The last is true for the 6 larger donor-driven social enterprises in this sample.



Besides donor driven funding, there were also social enterprises that mentioned other types of funding. Ujuzikilimo Solutions in Kenya mentioned that it won the American Society of Engineering Award in 2015 from the Innovation Showcase Competition for their affordable sensor-based soil testing kit to analyze soil quality. Another award winning social entrepreneur in Ethiopia shared, "In October 2015 we were one of the winners of Reach 4 Change Ethiopia Accelerator program winner. The competition was a social entrepreneurship competition. We received 40,000 Birr as a grant to develop our idea further." Another social enterprise from Benin is far along in the application procedure for an international ICT fund in agriculture. Others relied on their own capital (117), on loans from individuals in their close network (11) as main financier for their business, as well as micro-finance (6), crowdfunding (5), angel investors (4), and Capital Ventures (2) as their main financier. The social enterprises with angel investors and capital ventures are all from Indonesia. Bangladesh social entrepreneurs seem on average more donor-driven.

# Who are the support organizations that gave financial support?

Within the group of 40 social enterprises, 26 different support organizations were mentioned as funding providers. The majority (19) are international organizations, of which 14 are international NGOs or foundations (e.g. VIA Water, Fintrac, World Wildlife Fund). Three are governmental aid agencies from Norway and USA (USAID and Peace Corps), and 2 are multilateral organizations (UNICEF and World Food Programme). The Tony Elumelu Foundation and Dignafric are the only international support organizations from Africa. National support organizations (7) that fund social enterprises are both private sector initiatives (e.g. Telkom Indigo Incubator in Indonesia) and governmental programs (e.g. Millennium Development Agency in Ghana). One organization in Kenya is related to a church institute (see Appendix for full list of support organizations).



In total, the following seven incubator and accelerator programs give some financial support (national and international; private sector, partnerships, and NGOs) to social enterprises: the Pollination Project (USA based) was involved in Kenya; Tony Elumelu Foundation (Nigeria based) was involved in Ethiopia and Kenya; Telkom Indigo Incubator (Indonesia based) was involved in Indonesia; Osez-Innover (USA/West Africa) was involved in Benin; Reach 4 Change (Sweden based) was involved in Ethiopia; and the Kenyan and Ethiopian Climate Innovation Centers (both supported by the World Bank's InfoDev) were involved in Kenya and Ethiopia.

#### 2.2 Non-financial support

#### What support did social entrepreneurs receive?

The most support that social entrepreneurs received was non-financial. They mentioned technological support, capacity building, networking support, knowledge support, and machinery support. Such support can be found among social enterprises in all phases, from support to piloting their service or product, operational support, or support for upscaling their businesses. It looks like social entrepreneurs try to get whatever support they can find, without necessarily looking for the perfect match with support organizations.

Support in rural areas is related to agricultural advice, like extension services, or access to machinery, or to provide the social entrepreneur with better access to rural communities. Yet specialized entrepreneurial support and technical support are very much based in the biggest cities. For example, specialized support was provided by incubators, hubs and labs (set up by international and national foundations, NGOs, government agencies, and private sector actors) with the aim to improve entrepreneurial and technical skills.

Furthermore, support for social enterprises looks very similar to support for any enterprise, in particular for small and medium enterprises (SMEs), when needing to upscale the business in the food value chain. They need mentorship, capital, capacity building, network opportunities, and technological support amongst other things. In the focus group discussions, it became clear that the added value of support for the social enterprise is not related to the diverse kinds of support they are seeking, but for the recognition as a group of entrepreneurs that are dealing with far more complex challenges and take more risks than others.

It has been acknowledged that this requires special expectation levels from the support organizations towards the social enterprises in the food value chain.

A Kenyan social entrepreneur stated, "NGOs treat us like a fully commercial company but have unrealistic expectations about the options for start-up social enterprises. NGO salaries are sometimes high, but if we ask for example USD\$300 for a senior staff, they complain it is too expensive. Further, they often expect from us serious upfront investments in terms of money and time and this is sometimes unrealistic."

#### Support organizations that offered non-financial support

A minority of the social entrepreneurs (43) shared that they do not receive any support, while 38 only received support from local organizations and institutions in their own direct surroundings (churches, local businessmen, county governments, community bases organizations). This means that nearly half (71) of the social entrepreneurs in this sample succeeded in finding support in a broader network of predominantly national or international organizations or

institutes. Of these 71 social entrepreneurs, 30 were included in specialized entrepreneurial support programs such as incubator and accelerator programs.

The social entrepreneurs that received support out of their own community mentioned 46 support organizations at the national level, 30 support organizations at the international level, and 17 specialized entrepreneurial support programs. At the national level, most support (16) comes from national foundations and NGOs. Also important are the governmental agencies and initiatives (10), support from the private sector (9), and from academic or knowledge institutes (5). Bangladesh is the only country that did not mention any governmental support whatsoever.

It seems that non-financial support is more national and less internationally oriented, and the exact opposite is true for financial support. The 30 international support organizations that were mentioned are predominantly NGOs and foundations (20) such as the USA based Catholic Relief Services, UK based World Vision, or the Sustainable Agriculture, and Food Security and Linkages (SaFaL) initiative in Bangladesh by the Dutch NGO, Solidaridad Network Asia. Five international aid agencies were mentioned (e.g. Belgium Development Agency and USAID), three international initiatives (e.g. World Intellectual Property Organization, World Food Programme), one international association (Asian Farmers Association), and one multi-stakeholder partnerships (Grow Africa Partnership).





Louis Agboku Blogger with EtriLabs — Benin

"I see this work as a mission, a great responsibility and an opportunity to be more usefull to my country. Social entrepreneurs have been struggling without relevant support."



With a focus on the 16 support organizations specialized in entrepreneurship programs (see table 1), only the Tony Elumelu Foundation (Kenya/Ethiopia) and TechnoServe (Benin/Ghana) were mentioned in more than one country. There are 11 international organizations involved and five national organizations. As mentioned earlier, seven of these initiatives also offered financial support.

#### Table 1. Programs mentioned in our sample.

International (11): Reach 4 Change (Sweden), Tony Elumelu Foundation (Nigeria), TechnoServe (USA), Osez-Innover (USA/West-African), SENS (France), The Pollination Project (USA), VIA Water (the Netherlands), Spark International (Australia), UNLTD (UK), Kenya Climate Innovation Centre (WorldBank InfoDev), Ethiopian Climate Innovation Centre (WorldBank InfoDev).

National (5): AKO Foundation (Ghana), UAC Start-up Valley (Benin), Kinara (Indonesia), Telkom Indigo Incubator (Indonesia), JubaHUB (South Sudan)

The mentioned support organizations are by no means the only support organizations available for social entrepreneurs in the food value chain. There are many other opportunities for social enterprises. What this sample shows is that finding support outside local networks is very difficult for many social entrepreneurs in the food value chain. Support is also very fragmented and dominated by NGOs and foundations. Financial support and entrepreneurial specialized support comes mainly from international actors, while other support like agricultural advice or extension services comes from national actors. It also must be mentioned that South Sudan seems very

different as hardly any support organizations were mentioned, while the support that was received was very local and from trusted networks. In the focus group discussions, this has been explained by high levels of insecurity and dependency on food handouts which oppose agribusiness enterprise initiatives.

## 2.3 What social enterprises in the food value chain receive more support?

By examining the details of 71 social enterprises that found support outside their local community and network, it became clear what kind of social enterprise was more successful in receiving support. Yet there is no clear evidence from that sample of 71 to conclude that support goes more often to social entrepreneurs in a specific place in the food value chain.

Interestingly, by looking at how the social enterprises are doing business with the target groups, it is clear that ability-led social enterprises were more likely to find this type of support. Half of the social entrepreneurs with support (35) are ability-led, 26 are access-led, and 10 are knowledge-led. In considering that there are in total more access-led (71) than ability-led (60) social enterprises, it is clear that ability-led social enterprises found more support (57%) than access-led social enterprises (37%). Knowledge-led social enterprises are also more likely to get support as half of the 21 knowledge-led social enterprises found support. As there was no distinction between the countries, this observation can be made in all seven countries.

A further analysis revealed the same conclusion by looking at the 30 social enterprises that could find specialized entrepreneurial support, like incubator programs. Ability-led social enterprises are more likely to gain such specialized support versus knowledge-led social enterprises, and access-led social enterprises were least likely to receive

support. Some explanations why ability-led social enterprises gain more support were mentioned in the focus group discussions:

- Ability-led social enterprises have more of a partnering approach with their target group without necessarily seeing them as customers. The access-led social enterprises on the other hand are more associated with businesses with customers at the base of the pyramid. As most support comes from NGOs, they could be more favorable for partnering with the target group by giving support to ability-led social enterprises.
- To set up an ability-led social enterprise assumes involving more stakeholders. It could be a factor that access-led social enterprises have less extended networks to successfully find support.
- The youth factor could be another explanation. In Ghana for example, the project team found that the majority of the access-led social enterprises are set up by young start-up entrepreneurs. After they finish school, they look for opportunities to link and create a smart system to provide more access to affordable products and services. These young people have not found a way to support organizations as of yet.

Although there is no clear information on the exact difficulties the social entrepreneurs faced in gaining support, it seems that the social entrepreneurs that found support are experiencing the procedures to be more difficult. This seems a bit odd but could be explained as that social entrepreneurs who have succeeded in gaining support have invested time and effort into applications of support organizations. Those that did not receive support are more likely to focus on local support and not attempt to apply outside of their network. This conclusion could optimistically mean that efforts in networking and learning of failures, in the end, could grant financial support. However, there is also an opposing trend. Although less in numbers, there is a large group of social entrepreneurs that did not find support, and stated that they experienced many difficulties in the

support application procedures; while some social entrepreneurs that have received support have mentioned how easy it was to gain. This could lead to the conclusion that support depends more so on friends in already existing networks. Making a lot of efforts into understanding application procedures, even with external help, does not always help without the right direct connections.

Another interesting observation is that most of the social enterprises that received specialized entrepreneurial support are small.

That is not strange as most of these support organizations are only working with start-ups. After some time, this support will stop and the social enterprises will rely on other support. However, it is also true according to the sample that overall the group of small social enterprises are very likely not to find support at all. More research is needed to understand the exact reasons for this.

## 2.4 Does the supply of support meet the demand for support?

When demand and supply of support come together, there appears to be several gaps regarding to awareness, knowledge, networks and resources.

#### Resource gap

One of the main problems the social enterprises in our sample face is that they lack sufficient financial support. Key players that provide financial support are the impact investors (privately owned or part of an NGO/foundation). They are at the forefront of a movement that looks to new investment opportunities without the expectations of short-term returns on investments; the so-called patient capital. In all the countries, there is a growing impact investment industry, but the resources of funding still remain fairly narrow.



Impact investors are focusing their efforts more on start-ups (seed funding especially from non-profit actors) and more established social enterprises (equity/capital social ventures), which forces social enterprises after the start-up phase to become more dependent on bank loans in their initial growth phase.

One example comes from Benin where one social entrepreneur shared that he was offered a significant deal for the New Year holidays: "We only needed a banking loan to use as a guarantee. Unhappily, no finance institution could help us because they consider the risks too high." In the end, they lost the market and an opportunity for both the social enterprise and the local farmers.

Some suggestions to tackle the resource gap came from the focus group discussions, including:

- It would be very helpful to establish and intensify revolving funding at a reasonable interest rate for start-up social enterprises to extend financial support in the initial growth stages of the social enterprise.
- Funding opportunities must be less internationally dependent and fragmented by building national social entrepreneurship funds with regional outposts that are better suited to offer more accessible funding to social enterprises in their local context.
- There should be a recognition that in particular hybrid social enterprises need extra funding support. However, for the long-term sustainability of such social enterprise, an exit-strategy must be part of the business model. Financial support organizations could do more to support social entrepreneurs in their exit strategies.9

#### Awareness, networks and knowledge gaps

Non-financial support helps the social enterprises to develop, test and market their services and products. It is a vital part in

supporting social entrepreneurs as organizations are also referred to as social enterprise enablers, including such labels as: awareness builders; network builders; capacity builders; policymakers; and influencers. In most countries, some big players have been established to build awareness on social entrepreneurship at the level of policymakers, private sector actors, and large NGOs, however not necessarily with a focus on its potential for food security like the British Council and Ashoka. There is an increasing group of network builders that connect the world of social entrepreneurship with other stakeholders. They are the intermediary between the social enterprises and investors, or the social enterprises with capacity builders. However, they have to deal with a small number of suppliers of support in comparison to the rapidly growing demand for capacity and investments.

The support organizations are also too focused around urban problems and technological solutions, which reduces support opportunities for the social entrepreneurs in the food value chain.

There is a huge difference between the countries on this topic. South Sudan barely has well-organized support organizations that social entrepreneurs can rely on in comparison to Indonesia in which some large international social enterprise organizations are active, such as the Global Impact Investment Network and the Asian Venture Philanthropy Network. In Kenya, social entrepreneurship has been promoted significantly in the last decade, for example with the establishment of the East African Social Enterprise Network (EASEN) in 2010 hosted by the KCA University in Nairobi. This was later followed by SocEntLab, a social enterprise and think tank based in Nairobi. The Kenyan Social Investment Exchange (KSIX) was launched

9

To read more on 'exit' for Social Venture Entrepreneurs investing in social ventures in developing countries, see Alexander Tetteh Kwasi Nuer (2015), Exit Strategies for Social Venture Entrepreneurs, PhD research for Wageningen University, edepot. wur.nl/361482



in 2011. Ghana, Benin and Ethiopia are a bit behind but still on the same track. Initiatives are popping up to take the lead in stimulating social entrepreneurship as a model for private sector development, such as the Start-up Valley and EtriLabs in Benin, and the Social Entrepreneurship Forum in Ethiopia.

Some important suggestions came out of the focus group discussions to tackle these gaps, including:

Non-financial support is often top-down oriented to individual social enterprises. It often starts with what the supply side has on offer, instead of examining what is needed. This is particularly important for support in the complex food value chain.

- Support organizations could do more than help individual social enterprises such as help build community-based initiatives to stimulate social entrepreneurship at the root. This could help to bridge some of the gaps, and in the longer term could improve the quality and impact of social entrepreneurship in the food value chain. In South Sudan during the focus group discussions, one challenge mentioned was that of lacking adequate storage space for crops in rural areas. However, the social entrepreneurs were not (yet) aware that such challenges could be business opportunities that could ultimately result in new collective social entrepreneurial initiatives. Coaching could improve awareness of self-esteem.
- Business actors should also partner with more local stakeholders and divert support focus from the more established social enterprises and move towards smaller social enterprises and give vital non-financial business support.
- A dialogue platform for the support organizations would be a step in the right direction because without coordination, support is directed mostly towards the same actors while others remain in need.
- Governments could improve access to public procurement mechanisms for social enterprises.

 A recognition certificate could be provided by the government to social entrepreneurs so they can ask for financial and technical support from national and international organizations in an easier way.

## 2.5 What support organizations would like to change.

#### Perspectives from the support organizations

Some support organizations took part in the focus group discussions in each country. One of the main constraints that support actors admit is that the urban-rural linkage is weak. Support organizations that focus on entrepreneurial support are mainly based in the urban regions, particularly in metropolitan capital cities. They recognize the many opportunities for social entrepreneurship in the food value chain, however they admit that they are less connected with the rural areas. They need to understand their own specific challenges of reaching and delivering support to social enterprises working in rural areas or with rural stakeholders as that social enterprises that are based in urban regions still have to work with rural stakeholders far away from their organization. The specific support involved to mitigate food related challenges, such as lesser motivation to work in rural areas, are not always well known to them. Knowledge about agriculture and dealing with communities with different cultural backgrounds are lacking in support organizations, which could limit the efficiency of support.

The support organizations highlight that they could be more creative in building a supportive environment in which the social entrepreneurs are better linked with support actors other than rural stakeholders and agricultural support programs. They mentioned that it could help to orchestrate a platform to bridge the social enterprises with the supporting actors elsewhere, such as investors, enablers

and experts. They could work as intermediaries to link specific support to specific demands from social enterprises. Since there is not a ready supply of social enterprises in vast rural areas, they could assist in boot camps aiming to build a social entrepreneurial culture among rural communities.

The support organizations also would like to see more self-organization by social entrepreneurs so they can have a vocal point at the side of the entrepreneurs. If social entrepreneurs could organize themselves, be more visible, and vocal about their ideas and businesses, and if the local communities were more aware that working together with social entrepreneurs could solve local problems; the concept of social entrepreneurship could increase significantly in impact and popularity.

#### Self-organizing social entrepreneurs

One other important note that was mentioned during the focus group discussions is that social entrepreneurs are part of the solution as they do not work together enough. They also hesitate to incorporate the target groups within the decision-making processes of their enterprises, and miss out on an essential opportunity of better cooperation with local stakeholders. For example, a social entrepreneur in Bangladesh shared, "It is necessary to build up a farmer community in every sub-district. A group of 30-40 farmers that work with a social entrepreneur could make it easier for the farmers and the social entrepreneur to get support. But building a community is a big challenge for all, as there is no trust among people." Trust building is one of the main problems for cooperation amongst social entrepreneurs. Between them and local communities, many social entrepreneurs mentioned fear of competition, fear that someone is stealing the business idea or technological innovations, and the culture of shortcuts that undermine social entrepreneurs from working together.

#### Suggestions from the focus group discussions are:

• Improve self-organization and building of local networks amongst groups of social entrepreneurs in the food value chain in order to learn from each other, share knowledge, and to reach out with one voice to the support organizations for better cooperation.

One example are the rabbit breeders in Benin. Despite the existence of an umbrella association of rabbit breeders, some social entrepreneurs in this domain have regrouped themselves and created a network called "Forum des Cuniculteurs".

This network brings together more than 200 actors involved in the value chain. They organize follow-ups of members and promote exchanges of experiences.

 Organize better mechanisms of interaction and cooperation between social entrepreneurs and the local communities to increase impact and gain support.



# IMPACTHUB ACCRA GHANA

A co-working space located in Accra, Ghana, and part of the Global Impact Hub network. Impact Hub Accra develops programs, provide workspace, provide access to capital and connect entrepreneurs focused on solutions to regional challenges.

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## Chapter 3: The wider ecosystem

Widening even further in focus from the support organizations to the wider ecosystem, this chapter examines how social entrepreneurs and the organizations that offer them support depend on external factors for their successes. Such success is related to economic, social and political circumstances in which the social enterprise and support organizations currently operate. The wider ecosystem that defines these economic, social and political circumstances contains many actors that could provide opportunities to the social enterprises and their support organizations; yet they also can threaten further development of social entrepreneurship for food security.

For example, social entrepreneurs depend on the changes that international donors and organizations make when changing their policies and focus points on agriculture and private sector development. On the national level, social entrepreneurs and their support organizations depend on their wider ecosystem for regulations and policies, such as registration of their social enterprises, rules for accepting funding from international support organizations, and in a broader sense, on the rule of law, private sector, financial sector, education sector, and agriculture sector policy developments in their countries. At the local level, the power dimensions in chiefdoms and gender differences are important factors for social entrepreneurs and the support organizations for achieving social impact.

#### 3.1 Threats in the wider ecosystem

Threats in the wider ecosystem could hamper the development of social entrepreneurship for food security. The majority of the social enterprises in our sample mentioned climate change and the open trade regime as the biggest threats for their social enterprise. Also political

instability and lack of funding was often mentioned as an external threat. Social entrepreneurs are also part of a more vocal group of people for change, which at some points are seen by authorities as a reason not to stimulate social entrepreneurship or a "trusted" group of social entrepreneurs.

While it was certainly mentioned in the survey and focus group discussions that *the international and regional trade regime* generate opportunities to export products and services to neighbouring countries or even further away, in all countries, open markets are not just seen as export opportunities.

Open markets were also mentioned as a threat with the increasing competition in export markets as social entrepreneurs face cheaper imports of the same products.

Social entrepreneurs mentioned in the focus group discussions that they need to better understand their opportunities in the context of international markets, and prepare to cope better with the limitations, for example with scenario building. It was mentioned that the current free-trade regime should be shifted into the direction of a fair-trade regime that not only allows for more competition, but also incorporates values of inclusion, sustainability, and social responsibility, which would help further development of social enterprises.

Other well-known threats such as bureaucracy, corruption, and weak infrastructures also arose from the data. The key point from the focus group discussions was that the *governmental incentives in the wider ecosystem are not cohesive*, they lack coordination, and disturb the markets of sustainable produced foods. This lack of cohesion can explain the attitude of social entrepreneurs to govern-







Hate can be the only We are all to blame. The real weery

for Aleppo suffering about the BA strike



Trump will learn to care for the planet

#### World's newest country faces 'genocide'

# SOUTH-SUDAN CWL WAR

South-Sudan has a long history of conflict. New waves of insecurity and violence emerged in 2016. During this mapping project the office of JubaHub was attacked and after that closed down. Lagu, our Linking Pin, had to flee the country. Lagu: "Everyone who is working on social impact is under investigation as they are vocally people asking for change. They need to watch out."

ments as well. Half of the social enterprises (75) stated no direct or indirect governmental support for their businesses, with Bangladesh by far the most negative about governmental support.

In many of the countries, the continuous **promotion of unsustainable agriculture methods** is a threat for social enterprises to lose out on the powerful lobby of big agribusiness players, according to the respondents. A social entrepreneur in Indonesia mentioned, "Government-backed and government-owned companies or agencies are part of the supply chain (fertilizer producer, logistics and distribution agency, etc.) and disturb the level playing field. They also have practices that are hindering improvement of the sustainable production processes, like subsidized chemical fertilizers, seeds of low quality, and inputs being sold to 'preferred' farmer groups."

Furthermore, it became clear from the stakeholders in the survey and focus group discussions that a general yet important issue that adds to private sector development is *political stability and security levels in society*. This became very clear during the process of this mapping project in Ethiopia and South Sudan. In Ethiopia after mass demonstrations against the government, the government announced a six-month curtail on access to internet, which hampered not only the access to social entrepreneurs in Ethiopia by the Linking Pins, but it also showed how opportunities for especially small social businesses can quickly change in times of political unrest. In South Sudan, insecurity is one of the main threats for the social entrepreneurs. Conflicts have crippled food production and investment in the country, and now the country is forced to depend on food aid as hunger looms across the regions as the country struggles for peace and stability.

#### 3.2 Opportunities in the wider ecosystem

Fortunately, the wider ecosystem is not only seen as a threat by social entrepreneurs, but also as an opportunity to build their business model on, to find partners, and increase knowledge and investments. The majority of the social entrepreneurs in the survey and in the focus group discussions mentioned that they see opportunities to build networks with each other, with communities, and with support organizations. They see opportunities to increase employment in rural areas and in exchanging knowledge.

In other words, the wider ecosystem could give social entrepreneurs in the food value chain opportunities as building blocks for their businesses. The social entrepreneurs in the survey and in the focus group discussions shared some positive trends in the wider ecosystem, namely:

- There is an increasing political and commercial interest in the agriculture sector in all countries, and investments are up in the sector.
   International organizations are working with national organizations on more comprehensive food security and nutrition programs.
- There is an increasing awareness among a small group of domestic consumers that values "homemade" quality, healthy and organic products. This combined with the international demand for ethical and sustainable food only increases incentives for creating sustainable and inclusive food value chains.
- The trend of multi-stakeholder partnerships that include private sector actors working together with governments and civil society are seen as beneficial for the social enterprises as they rely on such partnerships to increase impact. Some support organizations are part of public private partnerships, which could increase awareness on social entrepreneurship and the inclusion of social enterprises within partnership programs. However, social entrepreneurs them-

- selves are still not an important actor or group within multi-stake-holder partnerships, partly due to top-down partnership structures focusing on cooperation amongst larger institutions, and partly due to lack of self-organization by social entrepreneurs.<sup>10</sup>
- Private sector actors are moving towards adopting, to some extent, inclusive business models. It has been said that social entrepreneurs could become important players for larger national or international corporations as they experiment and implement inclusive business models by exploring further engagement with local communities. In general, social entrepreneurs could be strategic partners with businesses in their Corporate Social Responsibility (CSR) activities. In Indonesia for example, CSR is mandatory by law for businesses; and most CSR initiatives go to infrastructure projects and charity projects for local communities. If corporations are partnering with social entrepreneurs, new opportunities will occur.

#### 10

More information about multi-stakeholder partnerships in the field of food security, see the F&BKP publication (2015), Building partnerships with whom? Retrieved from F&BKP website: knowledge4food.

net/building-partnerships-with-whom/





# Conclusions: Enabling actions between profit-making and aid

The uniqueness of this mapping project is in its approach to finding through the seven Linking Pins a diverse group of social entrepreneurs in the food value chain through a bottom-up approach and analyze from whom and where they get their support. We choose this form as to avoid conclusions that are based on social entrepreneurs that already are the "usual suspects" within the support organizations.

It can be concluded that if the social entrepreneurs see that they are part of a bigger movement, they might be willing to share more information due to the greater good. Therefore, self-organization and coaching of social entrepreneurs is important. What distinguishes a group of social entrepreneurs from other businesses is that they should look at challenges and threats and see further business and cooperation opportunities to increase impact. A combination of positivism, awareness about self-esteem, belief in new technology, and willingness to take risks is the attitude that defines a social entrepreneur. Open dialogues and cooperation between social entrepreneurs could contribute to solution-seeking for some of the main challenges they face, and some of which could lead to new social businesses.

It is important that social entrepreneurs are aware and understand opportunities within their ecosystems, be it the result or lack of policies, regulations, or partnerships; this future awareness needs some external coaching from the support organizations to establish dialogue networks and self-organization. Organizations that support social enterprises recognize that and see many opportunities for social

entrepreneurship in the food value chain, however they admit that they are less connected with the rural areas and need to understand their own specific challenges of reaching and delivering support to social enterprises working in rural areas or with rural stakeholders.

By looking to the wider ecosystem, the mapping project has shown that actors in the public and private sector could increase awareness on social entrepreneurship in the food value chain in order to take them into account when working and deciding on larger issues such as climate change, security, good governance, and sustainable agriculture; and that this must be paired with efforts to establish or improve networks, Communities of Practice, and dialogues between stakeholders to improve coordination and cohesion.

Private sector actors, for example, could partner or cooperate with social entrepreneurs to implement and scale up inclusive business models. Emerging partnership initiatives between businesses, governments, NGOs, and knowledge actors could be a starting point for including social entrepreneurs in such partnerships, setting up more comprehensive support programs and policies, and increasing self-esteem of social entrepreneurs.

Partnerships between social entrepreneurs with corporations (e.g. CSR activities), governments (e.g. food security policy initiatives), and civil society (e.g. lobby and advocacy) will only occur if social enterprises can show their added value, their special role in the market, and the social impact they create. This mapping project showed that social entrepreneurs still have limited awareness about the importance of social impact measurement, and thus needs support on impact indicators, measurements, and reporting so they can prove to actors in support organizations and the wider ecosystem that they have untapped added value in the fight against food insecurity and malnutrition.

It should also be clear that this mapping project does not suggest that social entrepreneurship as the golden solution to secure food security and nutrition. What it shows is that the concept of social entrepreneurship opens a complete new area of opportunities in which private sector actors (e.g. short-termism), public sector actors (e.g. budget constraints), and civil society (e.g. entrepreneurial limitations) are less efficient or interested to act, which leaves open a niche between profit-making and aid, which could have a major added value as it combines social and economic challenges with the aim to tackle food insecurity and malnutrition. As social entrepreneurs assume their roles seriously (e.g. impact measurement, donor exit strategies) and when all actors (including governments, private sector actors, hubs and NGOs) understand their own limitations, new partnerships models can occur in which social entrepreneurship can become instrumental for food security.



### Recommendations

The following recommendations are based on the outcomes of the mapping project survey and focus group discussions, and put into context by using the conclusions of the literature review.

#### What can the social entrepreneurs do themselves?

- If the social entrepreneurs for food security could come together more frequently for meetings, and exchange their ideas and practical solutions for common challenges, they could establish a movement, which opens new opportunities for partnerships, improves access to support, increases social and environmental impact, and creates new social business opportunities. This can only be realized as social entrepreneurs recognize that they must play an active role in finding local solutions for specific challenges. Self-organization is also a way to resolve the problem of mistrust amongst social entrepreneurs.
- By operating in marginal markets, access to grant funding or concessional loans is important. In addition to demonstrating sound management and financial reporting, social enterprises seeking to access these concessional forms of finance must realize that they have to measure their impact against social indicators and need a clear exit-strategy to avoid too much donor dependency.
- Social entrepreneurs do not always implement an inclusive governance structure. Although this can make decision-making processes more complex, it will increase trust and respect among the local communities and ultimately generate impact. Target groups (e.g. smallholder farmers or poor food consumers in certain areas) can be structured around groups that represent them and should not only give feedback on product development, but should be included by implementing innovative ownership models.

## Where can support organizations strengthen the social entrepreneurs working on food security?

- Organizations that give support to social entrepreneurs in the food value chain are themselves very diverse. They must be labelled and studied differently based on their organization form, mission, finance, target groups, and support mechanism.
   For example, support organizations that give financial support are working with very different support criteria in comparison to organizations that offer technical support or entrepreneurial support. Having said that, there is no coordination between support organizations and little has been done to make social entrepreneurs aware of what specific support can be offered. One solution, for example, is to open a central portal or one-stop-shop to equip social entrepreneurs in their search for support.
- The organizations that give support to social entrepreneurs are not always exclusively working with social entrepreneurs, but could work also with other business actors. This is not at all a problem, but social entrepreneurs need specific attention.
  Support organizations have to understand the differences between a hybrid structured social enterprise and a social business as they both need different support strategies, and expectation levels could be different. The hybrid social enterprise operates in more difficult markets, with lower margins, lower (or non-existent) profit, and needs more intensive and longer term support opportunities with clear exit strategies.
- Many support actors, in particular the ones that focus on entrepreneurial or technical skills, such as hubs, labs, and incubators, operate in metropolitan networks and they have limited or zero extending networks into rural areas or knowledge of the food value chain. Support organizations therefore could support the development of intermediary organizations which have strong linkages within the

- food value chain and local roots. Intermediary organizations could also indicate which spaces social enterprises can operate within the local context.
- It is difficult to give tailor-made support to a diverse group as social entrepreneurs who operate in very different parts in the food value chain have very different social missions and business models. They could operate in formal or informal markets and have very specific target groups and consumers. Therefore, support cannot be based on a top-down, one-size-fits all approach. The support organizations themselves recognize this but still struggle with the extra attention that should be given to understand specific demands and challenges of social enterprises. Helping and coaching social entrepreneurs in self-organization is one solution and could make it easier for support organizations to be involved and select the best social enterprises suitable for their specific aims of support.
- Support organizations that are willing to work with social entrepreneurs in the food value chain need support and coaching, as well as to organize themselves to be stronger and avoid doing all the same thing; and with the aim to increase efficiency of the supply of support and impact. For example, frequent meetings, dialogues, or/and information exchange tools should be organized by some leading support actors themselves, which could ideally be stimulated by other actors in the wider ecosystem like governments and aid agencies.
- Support organizations that financially support social enterprises, like impact investors or social funds, must recognize the resource gap between the start-up phase of a social enterprise (relying on seed-funding) and the more established social enterprises (relying on equity and social venture capital). Revolving funding with reasonable interest rates must become a more prominent finance instrument for social entrepreneurs to increase access to finance, particularly after the start-up phase into the initial growth phase of the enterprise.



- Organizations that support social entrepreneurship must give some special attention to youth as this is an emerging group of social entrepreneurs. They have ambition and many innovative ideas for starting a business around a social mission. The current support programs focus mainly on entrepreneurship skills, leadership and other trainings, while the reason for success has been found to be more structural, including: social position; rural-urban bias; financial position; and friends in the right positions. Any support should take these factors into account when dealing with youth social entrepreneurship in the food value chain.<sup>11</sup>
- The support organizations should add the task of collecting consistent standardized data in every sector where a the social enterprise operates. This will gather better insights in their abilities to create added value for social entrepreneurs, and how they deal with future sector specific challenges like ones in the food value chain.

## Who and how can the enabling environment of the social enterprise be improved?

#### In general

• It would help social entrepreneurs in the food value chain if they would be formally recognized as a potential partner in broader networks and initiatives in the private sector development, inclusive businesses, and agriculture and nutrition. Initiatives such as AgriProFocus in the Netherlands and the Sustainable Agriculture, Food Security and Linkages (SaFaL) program in the southwest of Bangladesh, a partnership between the Solidaridad Network Asia and the Dutch Embassy in Bangladesh, proves that social entrepreneurs are on their radar.

11

To read more about youth inclusiveness in agriculture transformation, see F&BKP quick scan study at: knowledge4food.net/youth-inclusiveness-agricultural-transformation/

#### Recommendations for governments and regulators

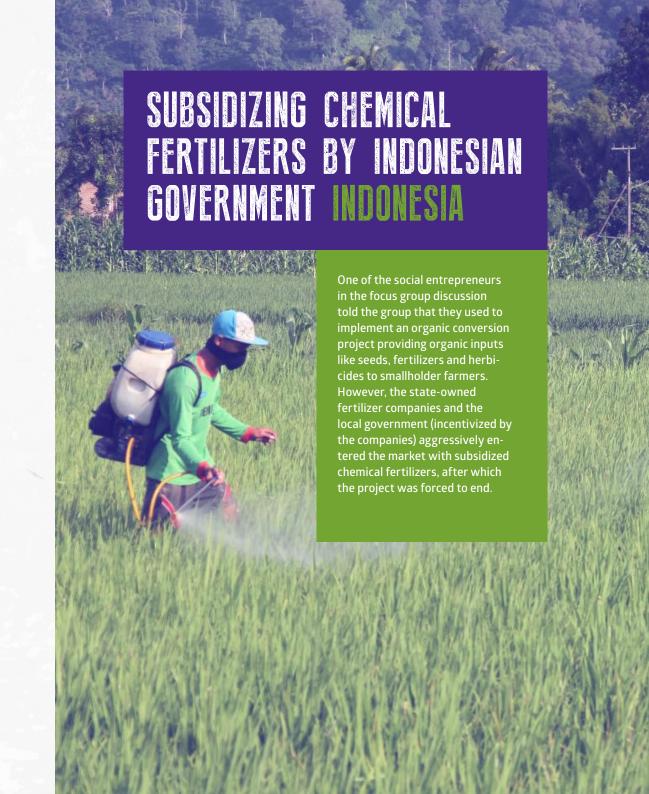
- The regulatory authorities must set up social enterprises as a subgroup in the registrar of companies. This will help governments to formally have social entrepreneurs as a group that they can build relationships with, and it will help social enterprises to become recognized as players in partnerships models. Regulatory authorities must do this with full consensus as poor regulation could be worse than no regulation.
- National governments must be able to set up national and regional databases that can help both internal and external actors have access to social entrepreneurs. This must go hand in hand with local consent and pairwise checking of social businesses and social enterprises.
- Policies must not harm the social entrepreneurship sector. Provision
  of free or subsidized agricultural inputs directly at the governmental
  level will undermine social entrepreneurs that like to work as local
  input suppliers. This would create an expectation and dependence
  among rural communities. To establish sustainable systems of input
  supply to poor farmers, governments should stop their intervention
  into markets and as a way forward, they should work together with
  social entrepreneurs to improve agricultural input markets.
- Local governments in rural regions could consider inclusion of social entrepreneurs to contract out management, operation and maintenance of public infrastructures such as irrigation systems, roads, and waste recycling facilities to social enterprises. They should accept that they might pay a bit more but could increase social impact significantly amongst vulnerable groups in the society.
- They also could do more to increase local endorsements of social entrepreneurship and assist social enterprises through public support of their organization or validation of their products, and to help enterprises gain trust of local communities.

#### Recommendations for national private sector actors

- Private sector actors should cooperate with social entrepreneurs to implement inclusive business models as social entrepreneurs are well connected with rural communities and understand working in business. Social entrepreneurs could also be strategic partners with businesses in other corporate social responsibility activities, such as sustainable supply chains.
- Agribusinesses could set up and coordinate national or regional support infrastructures for social enterprises (e.g. incubator or accelerator programs) that come up with innovative ideas to solve important (social) problems in the food value chain. They can learn from technology firms, which already have experience cooperating and teaming up with social enterprises.
- Private sector actors must be more transparent about their approaches and strategies in supporting social enterprises to increase knowledge on efficiency of support efforts.

#### Recommendations for international players

- Embassies and international aid agencies like DGIS in the Netherlands should recognize the special role of social entrepreneurship as the private sector, governments and civil society have left open opportunities for improvements in food security and nutrition. Due to the embracement of entrepreneurial, social and inclusive values by social entrepreneurs, they could play a pivotal role to increase impact of, for example, the Aid and Trade and Food Security policy agendas of the aid agencies. Increasing awareness must be paired with efforts to establish or improve networks, Communities of Practice, and dialogues between stakeholders to improve coordination and cohesion.
- The mapping project shows that international corporations in the food value chain are not as directly involved in supporting social enterprises. They could do more to increase partnerships with social entrepreneurs and become important players in cooperation with national corporations in building national and regional social enterprise support initiatives for food security, which could help them in their efforts to establish inclusive and sustainable food value chains.
- International multi-stakeholder initiatives such as Grow Africa have increased opportunities for investing in the agriculture sector. They could do more to stimulate bottom-up driven initiatives on national levels and include grassroots' social enterprises.



## Follow-Up Plan

Creating local ownership for follow-up activities and partnerships on social entrepreneurship for food security

This mapping project on social entrepreneurship for food security has resulted in the identification of social entrepreneurs in the food value chain in the seven Dutch partner countries brought together by Linking Pins. Information and knowledge has been exchanged between social entrepreneurs, and with support organizations and staff of the Dutch Embassies. Working together in this mapping project has generated a lot of enthusiasm and good will among the partners to jointly work on the impact of social entrepreneurs on food security.

To continue the information and knowledge exchanges, the Social Entrepreneurship for Food Security Support (SES) initiative has been launched by SocietyWorks (Margreet van der Pijl) in cooperation with knowledge broker Evert-jan Quak. SES will follow-up on the recommendations, insights and conclusions from this synthesis report. Stakeholders will be encouraged to participate and become partners within the project.

Within SES, follow-up meetings will be organized to ensure impact in the seven focus countries and in the Netherlands. Linking Pins will organize in the next months frequent follow-up debates on the outcomes and recommendations of the mapping project with social entrepreneurs, staff of the Dutch Embassy and support organizations. Together they will set the agenda (scenario planning) to give participants ownership of follow-up activities, which contain action plans to find practical solutions to tackle bottlenecks and to find solutions to bridge the gaps between demand and supply of support.

The aim is to give Linking Pins and stakeholders in the countries the best possible starting position to succeed in their efforts to find partners and financiers to independently continue dialogues and information and knowledge exchange between stakeholders and further build their Community of Practice. Another aim is to establish an international knowledge exchange hub on impact of social entrepreneurship for food security that integrates, analyzes, and disseminates collective intelligence of the local initiatives, best practices, and lessons learned.

# Appendix

## 1. The 152 social enterprises in the survey

Agro-Input Retailers' Network (AIRN)	Bangladesh	Training and advisory
Fresh Vill Agro	Bangladesh	Chinese cabbages
Pousher Pitha	Bangladesh	Traditional cakes
Shohoranno	Bangladesh	Rooftop vegetables
Hot and cold Service	Bangladesh	Catering
We Hungry	Bangladesh	Catering
Deshiponno	Bangladesh	Honey, Chui jhal, and Oils
Ek Nojor Homemade	Bangladesh	Spices and food
Glass (A good little companies)	Bangladesh	Agricultural inputs
Kendrio Krishok Moitree (KKM)	Bangladesh	Rice, oils, and mustard
SKS	Bangladesh	Food supplement and water sanitation
Grameen Alo	Bangladesh	Testing food quality
shushilan	Bangladesh	Foods and first aid kit
Suma Dairy farm	Bangladesh	Milk and fertilizer
Living Blue	Bangladesh	Handmade textiles and Bengal indigo.
Shrimp Services Center (A social enterprise of GLASS)	Bangladesh	Shrimps
Afia Sultana	Bangladesh	Fishery
M/S Afia Dairy Farm	Bangladesh	Fertilizer

Jardin des Béatitudes	Benin	Food distribution
Coopérative Yenikomi	Benin	Poultry
Exploitation Agri- cole Saint Aphraim	Benin	Eggs, poultry, meat
GOES	Benin	Eggs
Echelle Africaine de Développement (EAD)	Benin	Soya and its derivatives
Agromania	Benin	Smart agriculture promotion
ZODENA	Benin	Rabbit meat
CFCIA la Reference	Benin	Fish farming
Terra Farm	Benin	Rabbit meat
Essencia Servies	Benin	Capacity of processors in agri-food processing
H2G	Benin	Rabbit meat
Agri-siloé	Benin	Moringa powder and tea
Mimess Group	Benin	Food distribution and marketing services
La Confiance	Benin	Moringa powder
Les Jardins chez Marlène	Benin	Stimulating eco- logical farming
Ferme AgroPasto- rale Saint Charbel	Benin	Youth farming training
Modeling Agri Systems (e-MAS)	Benin	Mobile app for fish farming
N-agrobenin sarl	Benin	Cheese and soy sausage
Adrimat	Benin	Nutritious drinks
Ets Agro-Production Plus	Benin	Pork meat
Vital Agrobusiness	Benin	Healthy anti-diabetic drinks

Linkin	Benin	Nutritious drinks in recycling packaging
Benin Ranch	Benin	Rousse Sahelian goats
Cooperative Live Earth	Benin	Platform for collecting organic vegetable and fruits
Cabinet d'Expertise Agricole	Benin	Food distribution and trainings
Transnopal	Benin	Red oil and almonds
AfriTech Benin	Benin	Youth agropreneur trainings
Ibidun Farming	Benin	Rabbit breeding
Digital agriculture	Benin	Food information and dissemination
La Ferme de nos Enfants	Benin	Rabbit meat
J. HAKA. Monde	Benin	Fruit drinks
Solidarité Plus	Benin	Food distribution
World Fish	Benin	Fish farming
Pro-volailles Services	Benin	Poultry
Experience Ferme Agricole Intégrée (EFAI)	Benin	Manioc, plantain, fish farming
Apiservices Monde	Benin	Beekeeping trainings
Ferme Agropasto- rale Amen (FAA)	Benin	Rabbit meat
Coopérative des Eleveurs de Porcs de l'arrondisse- ment de Tohouè (CEP)	Benin	Youth and women agricultural trainings in pork farming
Centre International de Formation en Agriculture	Benin	Farming trainings
Jeune a l'oeuvre (JAO)	Benin	Stimulating organic farming

Vitabite Nutrition	Ethiopia	Training on nutrition
Grow Fresh Urban Agriculture Plc	Ethiopia	Youth and Women farming trainings
Yemiserach / Marta Dry Food Prepara- tion Partnership	Ethiopia	Breakfast meals
Amel Poultry	Ethiopia	Training poultry farmers in entrepreneurship
Apnec Agro-industry plc	Ethiopia	Honey, beekeeping training
MG Greennovations PLC	Ethiopia	Sustainable agricultural inputs
Bere Sericulture Production PLC	Ethiopia	Assist producers to get market access
mushroom farming	Ethiopia	Mushroom on coffee ground base
Akinbalo Trading PLC	Ethiopia	Catering
Shimelis Moges Gashaw	Ethiopia	Training on nutrition
Elias Negash	Ethiopia	Mushroom on coffee ground base

Milkmaid Ltd	Ghana	Processing sustainable milk
Ghana Agribusiness Centre	Ghana	Providing information, training, and mentorship
Agency for Health and Food Security	Ghana	Linking farmers with industries and marketers

GrisPro Limited	Ghana	Reducing post-harvest losses
Health and Life Initiatives Ghana	Ghana	Education on health and nutrition
Kofi Vinyo and Company Limited	Ghana	Providing information on farming methods
e-Edugh Consults	Ghana	Cassava
Wow AgriShop	Ghana	Organic food consumption promotion via shop
Adase and group farm	Ghana	Cowpea, vegetables, cassava
University of Education Winneba- Mampong	Ghana	Providing extension work and trainings
Social services sub-com- mittee, Dormaa West District Assembly	Ghana	Financial and material support to farmers

Pandawa Putra Indonesia	Indonesia	Reducing use of synthetic input
Koperasi Global Agrimitra	Indonesia	Arabica coffee
Cattle farming-empower- ment of rural farmers	Indonesia	Meat farmers
CV Ocean Fresh	Indonesia	Seaweed extract for cosmetics and food
Hen's Instant Omelette	Indonesia	Nutritious food for disasters
Layer Farm Manager	Indonesia	Poultry management soft- ware

Aruna Indonesia	Indonesia	Online trading platform for fish
ALIET GREEN	Indonesia	Marketing organic and fair trade certified products
Sirtanio Organik Indo- nesia	Indonesia	Organic rice products
IWAK	Indonesia	Connecting farmers with the investors
MEKANIRA	Indonesia	Coconut sugar in granule form
Limakilo	Indonesia	Connecting small farmers with end user
Burgreens	Indonesia	Organic healthy food consumption and catering
Fish 'n Blues	Indonesia	Responsible seafood products from small scale fisheries
Patri	Indonesia	Training rice farmers
Indonesia Mushroom Powder	Indonesia	Mushroom extract flour
Dkronik farm	Indonesia	Hydroponic vegetable cultivation training to women
Crunchy Leaf	Indonesia	Healthy and nutritious drinks
PanenID	Indonesia	Input and marketing services to farmers
Crowde	Indonesia	Crowd investing platform for farmers
Sikumis	Indonesia	Machinery and farm inputs

Sobattani	Indonesia	Mobile apps for farming information
Energi Persada	Indonesia	Domestic biogas digester for cow farmer
Habibi Garden	Indonesia	Mobile app to monitor crop quality
Vasham Kosa Sejahtera	Indonesia	Farming inputs to smallhol- der farmers
Vasham	Indonesia	Distribution of food
CI Agriculture	Indonesia	Mobile App to monitor crop quality
Yayasan Cinta Alam Per- tanian Kadiare	Indonesia	Produce local affordable seeds
Deaf Cafe Fingertalk	Indonesia	All-Deaf team serves local food to customer

	Cocovita Limited	Kenya	Handcrafted virgin coconut oil
	Mucho Mangoes Ltd	Kenya	Fresh and dried mangoes
	Heartbeat Farm	Kenya	Training subsistence farmers in fish farming
//	Mukono Industries	Kenya	Portable solar powered fridge
	Essentia Kanan Organic Fertilizer and Composting	Kenya	Organic fertilizer and soil testing services
	Runaz Smart Farm	Kenya	Butternuts, watermel- on and courgette
	Nam-Lach Orchard	Kenya	Grafted mango fruit

Ujuzikilimo Solutions	Kenya	Sensor-based soil testing kit
Mwema Farm Innovations	Kenya	Hydroponic fodder
Pemak Foods Company Limited	Kenya	Storage and supply
Premier Seed	Kenya	Input and train- ings to farmers
Value Farms	Kenya	Land consolidation
saumu centre ltd	Kenya	Training to garlic farmers and marketing produce
International Research & Development Africa Ltd	Kenya	Creating markets for the Base of Pyramid
FGL Holding Ltd	Kenya	Linking farmers to markets
Sare Millers	Kenya	Increase farming busi- ness skills in girls
Hydroponics Africa	Kenya	Input to farmers
Farming Afrika	Kenya	Online knowledge ex- change platform
Kiri Energy	Kenya	Solar power and mini hydro power water systems for irrigation
Nyangorora banana processors limited	Kenya	Crisps, flour, bread, wine, juices, beer
Commercial Rabbit Farming and Marketing	Kenya	Rabbit meat
Maverick Ainsley Limited	Kenya	Tomatoes, Sukuma, onions and spinach

Lagran group	Kenya	Processing and marketing smallholder farmers' food
Maji Milele	Kenya	Shared irrigation schemes
kitiri dairy & investment co-operative society ltd	Kenya	Raw milk marketing
Dimefarm	Kenya	Fresh milk, yogurt and vegetables
Decent Living Enterprise	Kenya	Tilapia fish farming
Bentos Energy	Kenya	Charcoal briquettes
Incarnate Word farm source of health and medical benefits	Kenya	Rabbit meat
Hay-Agribusiness, a sustainable Solution for Farmers in Semi-Arid regions	Kenya	Educating farmers on selling hay and security of fodder
Mazzoldi Farm Karen	Kenya	Processing and mar- keting fruit
Procurement Tech- nical Agribusiness Centers - PTAC	Kenya	Capacity building, market linkages and enterprise development

Kapital	South Sudan	Food knowledge aware- ness in the value chain
Food security and livelihood organization	South Sudan	Supplying food services to poor communities
New Nation social enterprises	South Sudan	Social agropreneur
UNIST Development Organization	South Sudan	Maize, sorghum, honey, and groundnuts

Food Humanitarian Organization	South Sudan	Farm and entrepreneurial skill trainings
Anisa poultry farming	South Sudan	Poultry
Home Choice	South Sudan	Local food consumption
Farms Commercial Market	South Sudan	Food distribution
Rural Investment and Development company	South Sudan	Food distribu- tion and storage
Mantiel Farmers Association	South Sudan	Empowerment and trainings
Women Empowerment	South Sudan	Empowerment of women through farming



2. The support organizations mentioned by the social enterprises; separated by the ones that gave financial as well as non-financial support, and ones that offered non-financial support to the social entrepreneurs in the sample.

Support	Countries	Website
National NGOs and Foundations: Non-financial support:  Organics for Orphans Sustainable Development for All Free Kenya Micro-enterprises Support Programme Trust Yayasan Pensa Global Agromandiri Kinara Start-up Valley Aspel Act-Dev Songhai EduLink Ako Foundation BRAC JubaHUB	Kenya Kenya Kenya Kenya Indonesia Indonesia Benin Benin Benin Benin Ghana Ghana Ghana South Sudan	www.organics4orphans.org/ www.sustainabledevelopmentforall.org/ www.freekenya.org/ www.mespt.org/ www.yapensa.or.id/ www.kinaraindonesia.com/ www.uacstartupvalley.com/ @aspelong www.act-dev.org/ www.songhai.org/ @edulinkghana www.akofoundation.com/ www.brac.net/ www.jubahub.org/
National Private Sector actors: Financial + non-financial support  PMS Africa Telkom Indigo Incubator  Non-financial support  GEL South Benin National federation of Benin fish farmers ACI Limited M.U. Sea Food	Kenya Indonesia Benin Benin Bangladesh Bangladesh	www.pmsafrica.com/ www.indigo.id/  n/a n/a n/a www.aci-bd.com/ www.museafood.com/

National Governmental support: Financial + non-financial support		
National Malaria Control Programme Millennium Development Agency	Ghana Ghana	www.ghanahealthservice.org/malaria/ www.mida.gov.gh/
Non-financial support		
Agriculture and Food Authority	Kenya	www.agricultureauthority.go.ke/
- Directorate of Nuts and Oils Export Promotion Council	Kenya	www. epckenya.org/
Ministry of Youth and Sports Affairs	Indonesia	www.kemenpora.go.id/
Ministry of Touth and Sports Afrairs  Ministry of Agriculture and Fisheries	Benin	www.agriculture.gouv.bj/
Centre d'Action Régionale pour Dével-	Benin	n/a
oppement Rural (Carder)		
National Employment Agency (ANPE)	Benin	<u>www.anpe.bj/</u>
Ministry of Food and Agriculture	Ghana	www.mofa.gov.gh/
National Nutrition Programme	Ethiopia	www.moh.gov.et/nnp
		Carpana and the second and the secon
Other national support organizations:		
Financial + non-financial support		
Christ the King Major Seminary in the	Kenya	n/a
Archdiocese of Nyeri (Church institute)		
No. Constitution		
Non-financial support		
Tangaza University College		
Indonesian Hotel General Man-	Kenya	www.tangaza.org/
agers Association	Indonesia	www.ihgma.org/
Bogor Agricultural University	Indonesia	www.ipb.ac.id/
Universidad Jember	Indonesia	www. unej.ac.id/
Crops Research Institute	Ghana	www.cropsresearch.org/
University of Education Winneba	Ghana	www.uew.edu.gh/

International NGOs and Foundations: Financial + non-financial support  Agriterra (the Netherlands) Catholic Relief Services (USA) Fintrac (USA) Heartbeat Ministries (Canada) The Pollination Project (USA) VIA Water (the Netherlands) World Wildlife Fund (International NGO) Dignafric (West-Africa) Osez-Innover (USA, West Africa) ICCO-Cooperation (the Netherlands) Reach 4 Change (Sweden) Solidaridad Network Asia (the Netherlands) Tony Elumelu Foundation (Nigeria) World Vision (UK)  Non-financial support  Spark International (Australia) SNV (the Netherlands) UNLTD (UK) Solidarités Entreprises Nord-Sud (France) Care International (International NGO) AgriProFocus (the Netherlands) TechnoServe (USA)	Kenya Kenya Kenya Kenya Kenya Kenya Kenya Indonesia Benin Benin Ethiopia Ethiopia Bangladesh Ethiopia/Kenya South Sudan/Kenya Kenya Indonesia Benin Bangladesh Ethiopia Kenya Indonesia Benin Bangladesh Ethiopia Kenya	www.agriterra.org/ www.crs.org/ www.fintrac.com/ www.heartbeatministries.ca/ www.thepollinationproject.org/eastafrica/ www.wiawater.nl/ www.wwf.or.id/ www.dignafric.org/ www.daretoinnovate.com/ www.icco-cooperation.org/en www.reachforchange.org/ www.solidaridadnetwork.org/safal www.tonyelumelufoundation.org/ www.worldvision.org.uk/  www.sparkinternational.org/ www.snv.org/ www.solidarites-entreprises.org/ www.solidarites-entreprises.org/ www.solidarites-entreprises.org/ www.solidarites-entreprises.org/ www.solidarites-entreprises.org/ www.solidarites-entreprises.org/ www.solidarites-entreprises.org/ www.agriprofocus.com/ www.technoserve.org/
International Governmental support: Financial + non-financial support  Peace Corps (USA) Norwegian Agency for Development (Norway) USAID (USA)  Non-financial support Belgium Development Agency (Belgium)	Benin Ethiopia Ghana/Bangladesh Benin	www.peacecorps.gov/ www.norad.no/en/ www.usaid.gov/ www.btcctb.org/

Other International support: Financial + non-financial support		
UNICEF World Food Programme Kenya Climate Innovation Centre (InfoDev) Ethiopian Climate Innovation Centre (InfoDev)	Bangladesh South Sudan Kenya Ethiopia	www.unicef.org/ www.wfp.org/ www.kenyacic.org/ www.ethiopiacic.org/
Non-financial support  Grow Africa (Partnership) ABS Capacity Development Initiative Asian Farmers Association World Intellectual Property Organization Ethiopia Netherlands Trade Facility for Agribusiness	Kenya Benin Bangladesh Ethiopia Ethiopia	www.growafrica.com/ www.abs-initiative.info/ www.asianfarmers.org/ www.wipo.int/ www.entag.org/



