

2SCALE Approach: Key Pillars & Principles

The 2SCALE program mainly targets to support business champions of African origins and implement their inclusive business agenda. These agribusinesses often face many challenges. They may: have difficulties sourcing sufficiently large volumes; lack understanding of the BoP consumer market, be competing with limited resources in uncertain and often unfair competitive playing fields; only be able to (afford to) go so far to realize their inclusive intentions on their own; be confronted with resistance - even within their own organizations.

2SCALE offers assistance not through direct subsidies, but through brokering, financial intermediation and training and advisory services to strengthen relationships with local communities, to develop local level capacities and networks, to support organizational change and to serve new (local/ BoP) markets. The uniqueness of a program like 2SCALE is to a large extent captured by the following four major pillars of the approach:

Championship: 2SCALE supports committed private businesses (including cooperatives or other professional farmer groups) to develop inclusiveness, while maintaining competitive edge. These businesses are called business champions. There is no “blueprint” approach to working with business champions; there are no pre-defined solutions. 2SCALE mainly uses its skills and knowledge (networks) to bring relevant stakeholder together in partnerships, to jointly design and develop inclusive business models based on the business idea of the business champion.

Agribusiness Cluster (ABC) formation and inclusive supply chain arrangements: ABC formation distinguishes 2SCALE in many ways from “traditional” value chain development. The emphasis on local networks empowers farmers in three areas: a) it links smallholder farmers to input dealers, information/ extension and financial service providers and other local processors and traders; b) it strengthens potential for collective action and innovation at grassroots level; c) it strengthens the bargaining power of smallholder farmers and other local actors, through better access to information. 2SCALE also focuses on value chain arrangements and the business models within and along the supply chain that support inclusiveness, while ensuring leadership and commercial viability.

Base of Pyramid (BoP) markets: By fostering partnerships and value chains that target specifically BoP consumers, 2SCALE adds a new range of opportunities to capture market and entrepreneurial potential, to create new jobs and to involve women and youth (for instance in food processing, marketing and last-mile distribution).

Enabling business environments, including access to finance and information: 2SCALE aims to promote system-wide changes in support of fairer competitive playing fields and enabling partners (and other businesses) to conceptualize, implement and scale inclusive business models. Only bottlenecks that are seen by the partnership as both critical and actionable are addressed. There are plenty of examples of such issues, like access to land for the youth interested in starting vegetable production; rules and regulations that restrict quality seeds from entering the region or that constrain regional exchange and trade; policy and business environments that constrain financial institutes to develop and offer tailor-made financial services to farmers and micro- and small-scale enterprises; social issues that constrain companies to enter BoP markets and supply local shops or that constrain women to participate in capacity strengthening.

The above pillars of the 2SCALE approach are interwoven with the 3 core principles: ownership, empowerment and sustainability.