



Food and Agriculture  
Organization of the  
United Nations



# AGRIBUSINESS INCUBATION AND ACCELERATION LANDSCAPE IN AFRICA



Role of agribusiness incubation in  
promoting agricultural  
entrepreneurship and enterprise  
development



Agripreneurship  
Alliance



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and enterprise development**

**Food and Agriculture Organization of the United Nations  
and  
the African Union Commission  
Rome, 2023**

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# ACRONYMS

<b>ZSCALE</b>	Towards Sustainable Clusters in Agribusiness through Learning in Entrepreneurship
<b>AAIN</b>	African Agribusiness Incubators Network
<b>ABC</b>	Agribusiness Clusters
<b>AfCFTA</b>	African Continental Free Trade Agreement
<b>AFDB</b>	African Development Bank
<b>AIC</b>	Agribusiness Innovation Center
<b>ANDE</b>	Aspen Network of Development Entrepreneurs
<b>ATA</b>	Agricultural Transformation Agency of Ethiopia
<b>AU</b>	African Union
<b>AUC</b>	African Union Commission
<b>AUDA</b>	African Union Development Agency
<b>BISCA</b>	Bakery and Food Technology Incubator
<b>CURAD</b>	Consortium for Enhancing University Responsiveness to Agribusiness Development
<b>DANIDA</b>	Danish Development Agency
<b>EAAP</b>	Ethiopian Agribusiness Acceleration Platform
<b>ESO</b>	Entrepreneur support organization
<b>FAO</b>	Food and Agriculture Organization of the United Nations
<b>GIZ</b>	German Development Agency

<b>iCRA</b>	International Centre for development oriented Research in Agriculture
<b>IITA</b>	International Institute of Tropical Agriculture
<b>KIRDI</b>	Kenya Industrial Research and Development Institute
<b>MASDT</b>	Mobile Agri Skills Development and Training
<b>MEGA</b>	Mpumalanga Economic Growth Agency
<b>MVP</b>	minimum viable product
<b>NBIA</b>	National Business Incubation Association
<b>NUCAFE</b>	National Union of Coffee Agribusinesses and Farm Enterprises
<b>OECD</b>	Organization for Economic Cooperation
<b>PPP</b>	public-private partnership
<b>RECAP</b>	RUFORUM Entrepreneurial Challenge Programme
<b>RUFORUM</b>	Regional Universities Forum for Capacity Building in Agriculture
<b>Seda</b>	Small Enterprise Development Agency
<b>SING</b>	Société incubation digital numerique du Gabon
<b>SMAE</b>	small and medium agricultural agrifood enterprise
<b>SME</b>	small and medium-sized enterprise
<b>TEF</b>	Tony Elumelu Foundation
<b>Timbali</b>	Timbali Technology Incubator



# FOREWORD

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The rapid rates of population growth and urbanization in Africa present both an opportunity and a challenge for the continent and its agricultural sector. Agriculture and related businesses remain a key economic sector in most African countries. It provides jobs to almost half of the employed population while significantly contributing to the gross domestic product (GDP). At the same time, young people are moving out of rural areas away from the agricultural sector, which they perceive as old fashioned and unprofitable. Nevertheless, youth unemployment continues to grow due to the scarcity of jobs in non-agricultural sectors. On a continent where 10 to 12 million young people enter the workforce each year and only 3.1 million formal jobs are created, the agrifood sector can play a key role in leading Africa's economic growth by creating jobs, while meeting the growing demand for food.

There is widespread recognition that entrepreneurship plays an instrumental role in innovation, new business and wealth creation. However, the agricultural entrepreneurial ecosystem within which entrepreneurs and small and medium agrifood enterprises (SMAEs) operate is strongly influenced by policies and the broader enabling environment. The Global Entrepreneurship Research Association identifies Africa as having the least supportive entrepreneurial framework conditions. Furthermore, agricultural entrepreneurs and SMAEs are confronted with additional layers of risks and complexities compared to businesses in other sectors. Investors and entrepreneurs often have to absorb the inherent risks of agriculture, such as weather and seasonal changes, price fluctuation, biological risks such as pests and diseases, and vulnerability to climate change. The COVID-19 pandemic has exacerbated the disruption of the food supply chain in numerous ways, resulting in logistical barriers, shortages of labour and inputs, food deficits and increased prices. SMAEs have been among the hardest hit as they lack the resources of large companies to tackle and absorb these shocks.

There has been a growing political commitment to engage the youth in agribusiness and the agrifood sector. The African Union (AU) Malabo Declaration

of 2014 recognizes the importance of job creation for young people in agrifood value chains, while the AU's Continental Agribusiness Strategy emphasizes the promotion of inclusive and equitable agribusiness, with a focus on training, mentoring, incubating and coaching the next generation of agripreneurs. The recently adopted AU Africa Continental Free Trade Area Agreement (AfCFTA) provides further opportunities, particularly for women and youth, to engage in agribusiness and trade.

A number of continental strategies for youth empowerment, including the African Plan of Action for Youth Empowerment, the African Agribusiness Youth Strategy and the FAO-AUC *Investment guidelines for youth in agrifood systems in Africa* have also highlighted the critical need to support entrepreneurship and employment opportunities for young Africans.

Agribusiness incubators are structures that provide important support to SMAEs to help reduce risk and transaction costs and set them on a path toward becoming competitive businesses. They can help in the identification and adoption of innovations and technologies to capture a larger share of the value chain, as well as providing mentorship and motivation to entrepreneurs and facilitate linkages to markets and investors.

This publication is the result of a study undertaken by the Food and Agriculture Organization of the United Nations (FAO) and the African Union Commission (AUC) to understand the status of agribusiness incubation and acceleration in Africa. The study was conducted by the Agripreneurship Alliance under the technical guidance of FAO in 2020–2021. The key messages and findings from the study were widely shared through a series of regional webinars.

The overall conclusion from the study is that agribusiness incubators and accelerators are already playing an important role in supporting enterprise development and growth-oriented businesses. However, given that agribusiness incubation and acceleration is still a relatively recent development in Africa, there is very limited knowledge among policy

makers and practitioners alike on the establishment, sustainable operation and impact of these incubators. Additionally, the COVID-19 pandemic has required a rethinking of how agribusiness incubators operate and how they can provide effective support through information and communication technologies (ICTs) and digitalization.

The findings and recommendations presented in this report aim at providing practical guidance to policy makers, practitioners and development partners seeking to maximize the impact of publicly funded agribusiness incubation programmes.

The summary report from this study was adopted by



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Representative Blue Economy and  
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the African Union's Fourth Ordinary Session of the Specialized Technical Committee on Agriculture, Rural Development, Water and Environment held in Addis Ababa in December 2021. The recommendations from the study have underpinned the development of a proposal for a programme to capacitate agribusiness incubators in Africa and enable them to provide effective support to SMAEs to grow their businesses and contribute to inclusive economic growth, job creation and food security. The study and ensuing proposal also contribute to key FAO strategic objectives and programmes on the continent, as well as the AU CAADP-Malabo Declaration Business Plan Priority intervention areas.

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# EXECUTIVE SUMMARY

**This study aims at providing a baseline of the agribusiness incubation and acceleration landscape in Africa. It leveraged both primary and secondary data on agribusiness incubators and incubation programmes from Africa.** The analysis on the agribusiness incubation landscape was carried out using secondary data gathered through mapping and analysis of over 430 enterprise support organizations (ESO) from across the continent. One of the main challenges in undertaking the study has been the lack of publicly available information on the agribusiness incubation and acceleration programmes and their impacts. The study has therefore produced 16 ESO<sup>1</sup> profiles to provide further insight into the business models, services and key results.

**Significant growth of agribusiness incubation in Africa is observed only since 2010 - about 20 years behind more developed countries.** Eight countries (Ghana, Kenya, Egypt, Morocco, Nigeria, Tunisia, South Africa and Uganda) make up 59 percent of ESOs with their headquarters located in Africa. In general, francophone West and Central Africa lags behind other regions, but an emerging entrepreneurial culture and ecosystem is observed.

**The pilot agroprocessing facilities is one of the key "value propositions" that agribusiness incubators offer to the agricultural entrepreneurs and SMEs compared to a generic business incubator.** Nonetheless, establishing these facilities are costly. Out of the 430 ESOs mapped, approximately 35 percent of them (150) are entirely dedicated to agriculture and agribusiness and only 17 out of 150 ESOs that focus on agriculture sector offers any kind of pilot processing facilities to their incubatees. Moreover, based on existing literature, it takes a minimum of 5–7 years before an incubator

reaches maturity. Thus, public funding will continue to be critical given the cost and time required to establish and sustain incubators.

**Few countries in Africa have policies, strategies or incubation support programmes.** There are many examples of government and donor-funded initiatives that focused on multiplication of incubation programmes and incubators with no coordination or consistency with the overall economic strategy. Thus, the potential of agribusiness incubators and incubation programmes in Africa remains unexploited. South Africa is an exception, which has an incubation policy and a well-established Incubation Support Programme.

**The overall study conclusion is that agribusiness incubators already play an important role in supporting SMAEs, but the incubation ecosystem remains underdeveloped.** Over 230 of the 430 ESOs specifically refer to the provision of funding or support to obtain funding as part of their service offering. Similarly, 45 ESOs indicate coaching and 60 mention mentoring among their services. The 16 ESOs analysed provide promising numbers of new SME establishment and job creation; however, more analysis is needed on the type and quality of jobs as well as data on the survival of start-ups.

The recommendations presented in this report primarily target policymakers, development partners and financial intermediaries seeking to maximize the impact of publicly funded agribusiness incubation and acceleration programmes. The key recommendations are summarized below.

**R1 Policy: Improve policies, frameworks and guidelines in order to create an enabling environment and ecosystem for agribusiness incubation and acceleration in Africa.**

Action areas includes establishing mechanisms for dialogue between policymakers and incubators and ESOs; developing incubation policies and guidance documents; undertaking further research and analysis into agribusiness entrepreneurship and incubation ecosystems in Africa; and increasing government investment in connectivity and digital and physical infrastructure to strengthen Africa's digital ecosystems to leverage the potential of agritech.

<sup>1</sup> The 16 ESOs are AgriRowad and Athar in Egypt; blueMoon and Ethiopian Agribusiness Acceleration Platform in Ethiopia; Raizcorp, Timbali and Mobile Agri Skills Development and Training in South Africa; Tony Elumelu Foundation, AgriLab's Ventures Platform and Wennovation Hub in Nigeria; and RUFORUM Entrepreneurship Challenge Program, Young Agripreneur Program, ENABLEYouth Uganda and Consortium for Enhancing University Responsiveness to Agribusiness Development – CURAD in Uganda; as well as 2Scale and the African Agribusiness Incubators Network.

**R2 Strategy:** Adopt a strategic approach to establishing agribusiness incubators as a structured and integrated mechanism for SMAE development and new enterprise creation for agrifood transformation in Africa. Action areas include having feasibility studies and business plans as pre-requisites to establish new incubators; establish or scale up agribusiness incubators around strategic value chains for Africa and prioritize establishment of new incubators in geographic areas and value chain segments that are currently lagging behind.

**R3 Support:** Establish incubation support programmes to provide financial and technical support to help sustainability-oriented agribusiness incubators to take them to maturity. Action areas include the need to strengthen the capacity of incubator managers and key personnel; provision of financial grants for establishment or scaling up of agribusiness incubators; using existing incubators as service providers for government and donor-funded entrepreneurship projects; collaboration with financial institutions to develop a sustainable incubatee financing strategy and supporting the professionalization of incubators through due-diligence and certification.

**R4 Evidence:** Promote systematic documentation and the sharing of knowledge and best practices on agribusiness incubator establishment, sustainability strategies and their impacts. Action areas include developing a light agribusiness benchmarking framework; providing incentives for documentation and sharing of results and impacts; organizing South–South and NortappliSouth exchanges for peer-to-peer learnings; organizing events to share and showcase agribusiness incubation experiences from Africa.

**R5 Networking:** Strengthen networking partnerships and collaboration among the ESOs and incubators and accelerators in the region. Action areas include strengthening capacities of existing agribusiness incubator networks and platforms; promoting practical collaboration opportunities among the incubators to co-create agribusiness incubation related knowledge and training programmes and modernizing agricultural curriculums in universities.



# 1. INTRODUCTION

**The rapid rate of population growth and urbanization in Africa presents not only an opportunity but also a challenge for the continent.** The majority of the population (over 60 percent) is below 25 years of age (Weny *et al.*, 2017). Agriculture and its related businesses remain a key economic sector in the majority of African countries; they provide jobs to almost half (49.3 percent) of the employed population (FAO, 2020). In sub-Saharan Africa, agriculture, fisheries and forestry account for 14 percent of gross domestic product (OECD/FAO, 2021).

**Africa imports nearly USD 47 billion worth of food, and the region's food imports are expected to more than double to USD 110 billion by 2030.** Estimates suggest that for every USD 1 billion spent on food imports, “670 000 on-farm jobs and 200 000 off-farm jobs [are] exported” to other countries (AfDB, 2020). On a continent where 10 to 12 million young people enter the workforce each year and only 3.1 million formal jobs are created, agricultural entrepreneurship and enterprise development programmes can play a key role in leading Africa's economic growth by providing jobs while meeting the growing demand for food in the region and across the world.

**There has also been a growing political commitment across the continent to engage youth in agribusiness and the agrifood sector.** Generating quality jobs and services for young people is fundamental to achieving inclusive agricultural transformation and contributing to attainment of the Sustainable Development Goals of the United Nations. The Malabo Declaration of 2014 recognizes the importance of job creation for young people in agrifood value chains, while the African Union's Continental Agribusiness Strategy emphasizes the promotion of inclusive and equitable agribusiness, with a focus on training, mentoring, incubating and coaching the next generation of agripreneurs. The launch of the African Union Development Agency's New Partnership for Africa's Development socioeconomic flagship programme includes the “100 000 SMEs for 1 million jobs by 2021” campaign that aims at further reinforcing the agency's commitment.

**Continuous economic growth, a growing and increasingly educated youth population, rising incomes and urbanization are expected to create a vibrant agrifood market, worth USD**

**1 trillion by 2030** (World Bank, 2013). The establishment of the African Continental Free Trade Area, which came into effect in January 2021, provides a huge opportunity to unlock the potential of agrifood systems. The free trade zone represents a market of over 1.2 billion and it is estimated that tariff liberalization in the transitional phase could generate welfare gains of USD 16.1 billion, while intra-regional trade in agriculture also is expected to increase by 20–30 percent by 2040 (worth USD 10–17 billion) (FAO and AUC, 2021).

**There is widespread recognition that entrepreneurship plays an instrumental role in innovation, new business and wealth creation.** The agricultural entrepreneurial ecosystem within which small and medium-sized enterprises (SME), business incubators and agripreneurs operate, however, is strongly influenced by policies and the broader enabling environment. GERA (2018)<sup>2</sup> identifies Africa as having the least supportive entrepreneurial framework conditions and, in this 2020/21 report, African countries remain at the bottom of the list (GERA, 2021). SME mortality rates in Africa remain significantly high. While SMEs generate about 80 percent of new jobs, they also account for most of the lost jobs (ITC, 2018). The Better Africa Report (GCAF and Weetracker Media Inc., 2020) provides the following failure rates of start-ups in Africa (in order of percentage): Ethiopia (75 percent), Rwanda (75 percent), Ghana (74 percent), Zimbabwe (67 percent), the United Republic of Tanzania (62 percent), Senegal (58 percent) and Kenya (59 percent). Agricultural entrepreneurs and SMEs are confronted with an additional layer of risks and complexities compared to businesses in other sectors. Investors and entrepreneurs often have to absorb the inherent risks of agriculture, such as weather and seasonal changes, price fluctuations, biological risks such as pests and diseases, exposure and vulnerability to climate change.

<sup>2</sup> Although the publication reports on many different measures of entrepreneurship in countries around the world since 1999, many African countries are not included (Sheriff, 2016) due to the high cost of collecting the data. Further analysis with more Africa-specific information, therefore, is necessary to extrapolate these findings.



**Business incubators and accelerators are supporting mechanisms that aim at helping SMEs and entrepreneurs to establish, grow and expand innovative and high-potential businesses.** This kind of support can significantly reduce the risks and transactional costs of SMEs, increase their chances of survival and set them on a path towards becoming competitive businesses. Comprehensive and reliable data on the specific challenges facing business incubators and accelerators and their impact on SME survival, growth and profitability in the agrifood sector in Africa, however, is quite limited.

**In Africa, there is growing interest and demand for agribusiness incubation, as can be seen from the exponential growth of different types of incubators across the region.** Development partners, governments and financial institutions have committed significant financial resources to set up large-scale incubators and incubation programmes. However, there is remarkably scant region-specific knowledge and evidence on the various business models that exist in Africa, their impact, key success factors and challenges. This study therefore intends to reduce this scarcity by providing an analysis of the agribusiness incubation and acceleration landscape in the region.

# 2. PURPOSE AND METHODOLOGY

## 2.1 Aims of the study

**The study aims at providing a baseline for the agribusiness incubation and acceleration landscape in Africa, as well as insights into the role of incubators and accelerators in promoting agricultural entrepreneurship and SME development on the continent.** The analysis and insight are intended to aid policymakers, development partners and stakeholders working with agripreneurs in the region to develop a more supportive agribusiness incubation and acceleration ecosystem. The key questions the study aims at answering are:

1. How extensive is agribusiness incubation and acceleration in Africa and who are the main actors?;
2. What are the types of incubation processes, strategies, business models and services delivered and the impacts of agribusiness incubators and accelerators?;
3. What are some of the critical success factors for business incubators and accelerators that can be considered the most successful?; and
4. How can countries, regional policymakers and development partners enhance the impact of agribusiness incubation and acceleration programmes in Africa?

## 2.2 Methodology

**The study included a large-scale mapping of ESOs that are engaged in agribusiness incubation and acceleration programmes in Africa in order to understand the types and business models, including the principal services provided, key success factors and lessons learned.** The rationale for using ESOs, instead of purely incubators and accelerators is that very few full-fledged agribusiness incubators exist in Africa. Moreover, there are many ESOs that provide services that an incubator often does while also running

a number of incubation programmes and projects. While ESOs may be defined in various ways, they all have three attributes in common (Markley, 2003) and can be in a variety of organizational forms, including networks, organizations and industry clusters.

1. They place primary focus on the entrepreneurs rather than on the enterprises they create.
2. They build a support system that nurtures entrepreneurs during the idea phase, providing the necessary resources and tools to create new enterprises and guide the entrepreneur through the process of growing a business.
3. They contribute to the creation of entrepreneurial environments, where entrepreneurship is supported in public and private sectors alike.

**For the purpose of this study, the team has mapped over 580 ESOs, of which 430 were included in a directory used for an analysis of the overall African ESO landscape.** In compiling the directory, emphasis was placed on selecting ESOs with headquarters in Africa, although a number of relevant organizations with headquarters elsewhere but able to provide substantial support in the region were also included (e.g. international organizations). Key considerations for directory inclusion were those ESOs that provide entrepreneurial support activities in the agriculture and agribusiness sectors. Business training was deemed a critical element in identifying ESOs for inclusion. As such, those organizations purely focused on agricultural training were excluded. It should also be noted that only a limited number of technology organizations were incorporated into the directory; that is, those with clear activities in agritech.

The information compiled in the directory includes the following information:

- Location and contact details: address, e-mail , telephone number

- Date ESO was launched
- Type of organization and main sectors of activity
- Short description and geographic scope of activities
- Website and social media: URL, Facebook, LinkedIn

One of the main challenges in undertaking the study was the lack of publicly available information relating to the various agribusiness incubation and acceleration models and impacts. The study team therefore selected 16 Incubator and

ESO profiles (Figure 1) to provide further insight into their incubation strategies, processes, business models and key results. Some profiles were developed using information collected from field visits to Ethiopia, Nigeria and South Africa prior to the COVID-19 pandemic. Due to the COVID-19 pandemic travel restrictions, further field visits were not possible. Other profiles were developed using information from their websites, existing ESO literature, online interviews and inputs from webinars.

**FIGURE 1: INCUBATORS AND INCUBATION PROGRAMMES (16) ANALYSED FOR ADDITIONAL INSIGHT INTO INCUBATION IN THE AFRICA**



Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by FAO. Final boundary between the Republic of Sudan and the Republic of South Sudan has not yet been determined. Final status of the Abyei area is not yet determined.

Map source: FAO. 2018. *Making History: Eradicating Peste des Petits Ruminants - PPR (or sheep and goat plague)*. Rome. <https://www.fao.org/3/CA1206EN/ca1206en.pdf>, modified by authors.

## 2.3 Challenges and limitations

One of the key challenges in undertaking this study was the scarcity of publicly available information and evidence-base on agribusiness incubation in the region. The data for this study was obtained through a number of sources including information available on their websites, newsletters, annual reports, articles and other studies and case studies on the incubators and incubation programmes. From the available annual reports, it was noted that various incubators provide varying performance parameters and information and therefore it was often very difficult to find comparable information across the different programmes. Undertaking a robust comparative analysis of the agribusiness incubators and incubation programmes, their incubation processes and strategies and impacts was challenging.

A further challenge was to establish a methodology that would provide an accurate number of agribusiness incubators and accelerators in the region. A count and mapping of full-fledged incubators was straightforward. However, gathering an accurate mapping of incubators and incubation programmes operated by ESOs was much more challenging. There are ESOs that operate multiple incubators and incubation programmes and hubs across the country. However, information on individual incubation hubs and programmes were not often available on their website in many cases. Moreover, many ESOs run sector-agnostic incubation programmes, including the agrifood sector. It was therefore decided to simply establish the number of ESOs engaged in agribusiness incubation in the region instead.

Prior to the COVID-19 pandemic, the study team was able to gather data on incubation models and practices through field visits to Ethiopia, Nigeria and South Africa. Due to the COVID-19 pandemic restrictions, however, further field visits were no longer possible; thus, there is limited representation of case studies from the North Africa regions and francophone African countries. The study team has attempted, nevertheless, to address the information gaps by engaging with as many ESOs as possible via webinars and online meetings.

**The key messages and findings from the study were widely shared with key stakeholders by way of five subregional webinars, held between September 2020 and April 2021.**

Through these webinars, the team was able to gather inputs from over 1 000 individuals from ESOs, SMEs, budding entrepreneurs, policymakers and international organizations. Five further webinars were delivered or co-convened with other partners, such as the African Agribusiness Incubators Network (AAIN), and a number of others in the context of the UN Food Systems Summit in New York in September 2021. While these webinars did not specifically target agribusiness incubation, nevertheless, useful information was gained to complement the study. The study team also joined a number of webinars organized across the region relating to SMEs and entrepreneurship; for example, the Tony Elumelu Foundation (TEF), Generation Africa, Aspen Network of Development Entrepreneurs (ANDE), Regional Universities Forum for Capacity Building in Agriculture (RUFORUM) and The Innovation Village.

# 3. DEFINITIONS AND CONCEPTS

## 3.1 Agripreneurs

The challenges facing African agriculture and its agripreneurs relate to low productivity, inadequate access to productive and financial resources, and lack of agricultural infrastructure, among others. These are well known and documented. As highlighted in the AU Continental Agribusiness Strategy (AUDA and NEPAD, 2017), the general lack of development of value chains into viable and efficient entities, in part, has resulted in the poor development of continental markets, characterized by the marginalization of key value chain players (smallholder farmers) and the low intra-Africa trade in agriculture and food.

Entrepreneurs and SMEs operating within the agribusiness sector are confronted with a number of unique risks including fluctuating agricultural prices, weather and seasonality and biological risks among others. The average farmer and agribusiness in Africa still tend to operate on relatively small scales and these agripreneurs often hold very limited assets. As a result, they often find it extremely difficult to access finance required for strengthening and scaling up their businesses.

### Definition: Agripreneurs

“Agripreneurs are risk takers who deliberately allocate resources to business ventures, to exploit opportunities in return for profit. Subsistence entrepreneurs who engage in entrepreneurship as a survival strategy because there are no other options are not considered agripreneurs.”

Source: FAO. 2019. Agripreneurship across Africa: Stories of inspiration. Rome. [www.fao.org/3/ca4671en/CA4671EN.pdf](http://www.fao.org/3/ca4671en/CA4671EN.pdf)

## 3.2 Business Incubators

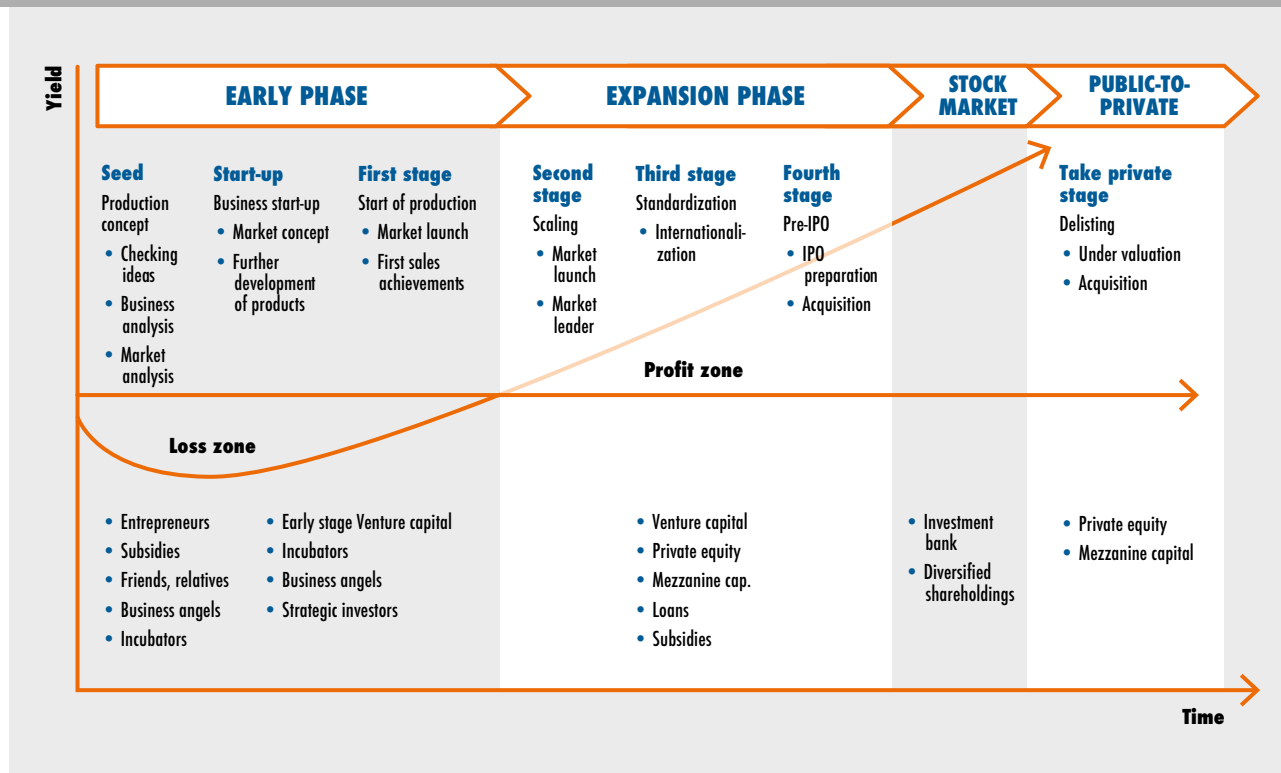
As evident from the high start-up failure rates in the region, very often SMEs succumb to the “valley of death” – a term used to describe the relative lack of skills, experience and resources required for SMEs to survive the initial stages of business initiation to reach survival, growth and sustainability.

Business incubators, accelerators and other forms of ESO play a key role in supporting entrepreneurs to navigate the “valley of death” and harness their business strategies and address their constraints in a safe and collaborative environment. They help businesses through the early stages of development and rapid growth, often considered the riskiest phases of a business. This kind of support can significantly reduce SME transactional costs, increase the chance of survival and set them on a path toward becoming competitive businesses (Figure 3). Incubators are often associated with start-ups and nascent enterprises and support them to develop their ideas into a minimum viable product (MVP) or competitive business. An accelerator, in contrast, often works with existing businesses that have an established track record and are already MVPs and help them “accelerate” their growth.

The *South African Business Incubator Establishment Handbook* (GovSA, 2014) provides an exceptionally useful definition of an early stage SME. An “early stage” SME is not considered a measure of time; rather, it depends on the extent a business has developed. An SME that is several years old and still struggling to gain customers and secure revenue is considered an early-stage SME, while an SME that is only one year old, but profitable and financially sustainable, is considered a growth-stage SME.

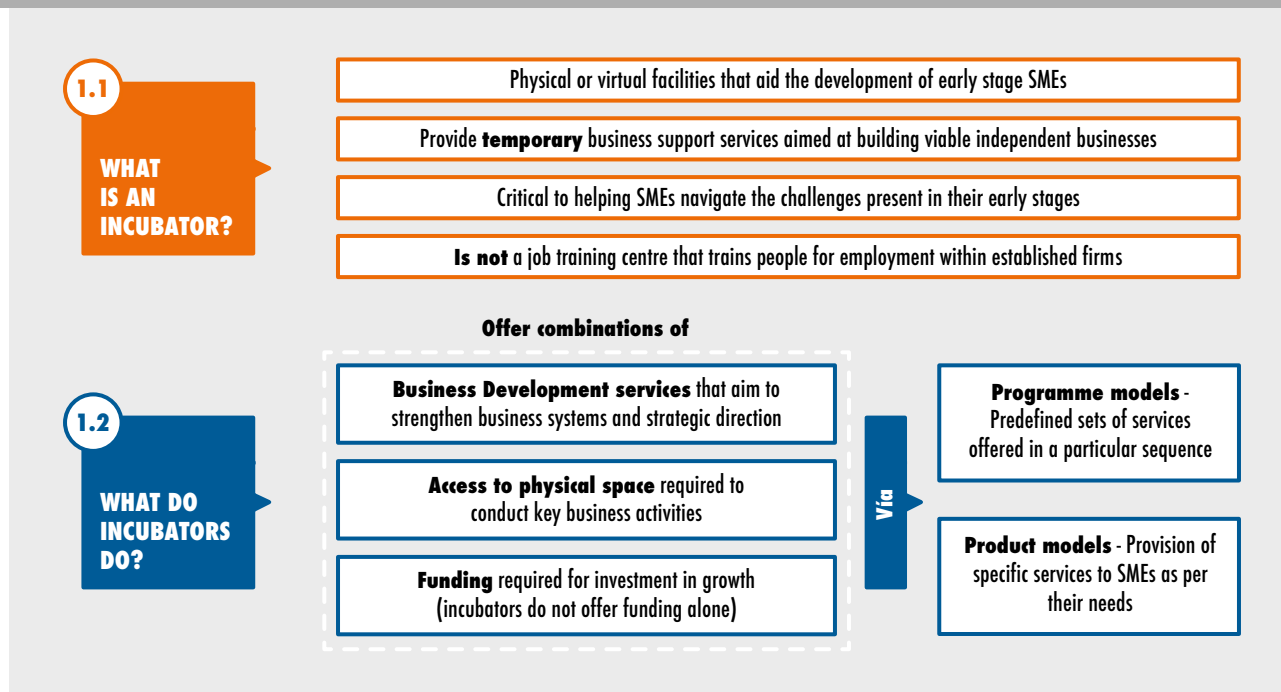
While there are some key differences between the incubators and accelerators, they both provide a collaborative environment in which to support business growth and ensure survival. Both provide access to extensive business

**FIGURE 2: LIFE CYCLE OF A FIRM AND STAGES OF FINANCING**



Source: Natusch, I. 2003. *Mezzanine Method of Financing*, Round Table Talks (23 October), IKB – Deutsche Industriebank, available at [www.brsi.de/pdfs/Mezzanine\\_Finanzierungsformen\\_engl.pdf](http://www.brsi.de/pdfs/Mezzanine_Finanzierungsformen_engl.pdf).

**FIGURE 3: WHAT IS AN INCUBATOR?**



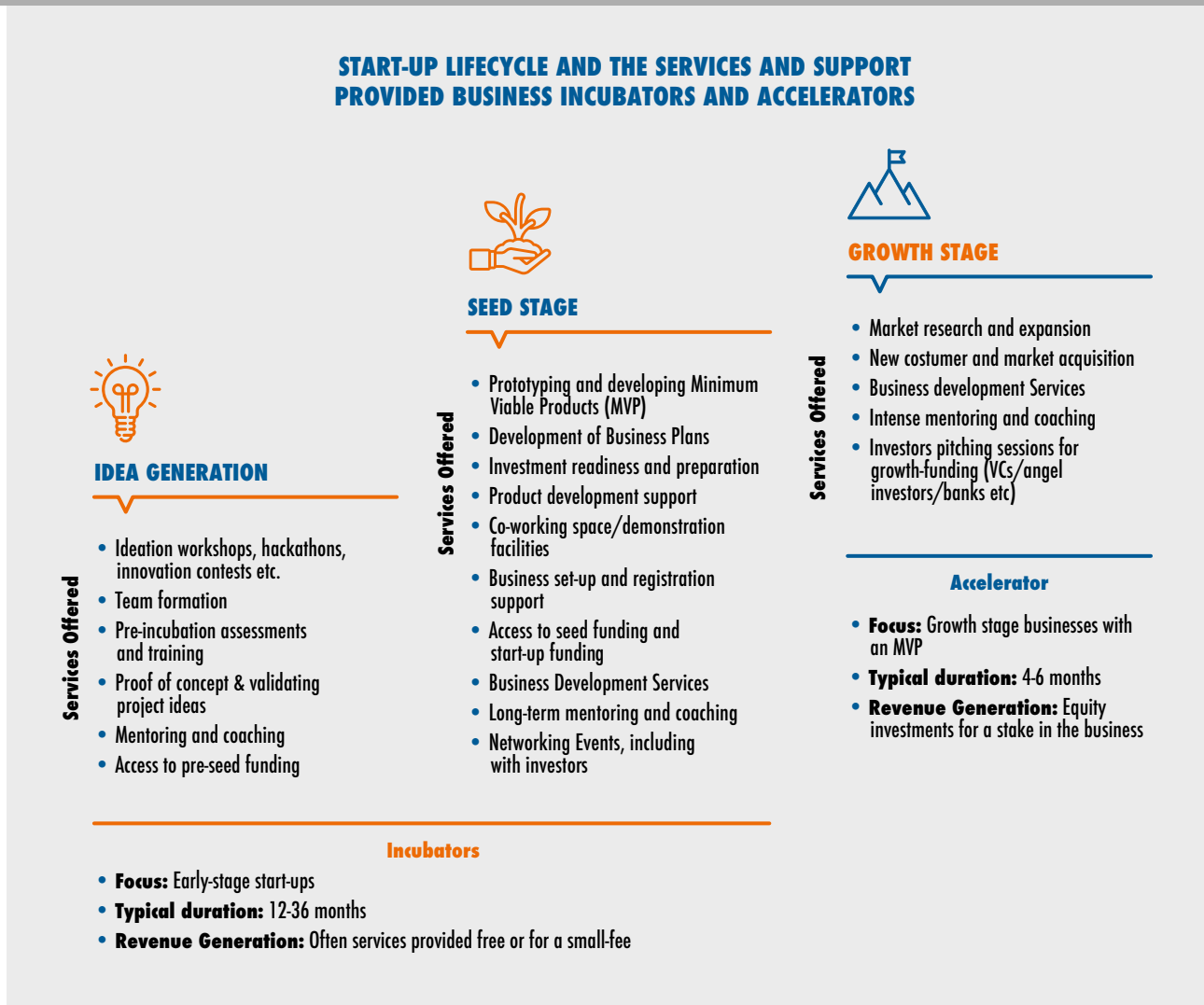
Source: GovSA (Government of South Africa). 2014. *South Africa Business Incubator Establishment Handbook: A Guide to Establishing Business Incubators in South Africa*. Pretoria, Department of Trade and Industry also available at [www.za.undp.org/content/south\\_africa/en/home/library/other-publications/sa-incubator-handbook.html](http://www.za.undp.org/content/south_africa/en/home/library/other-publications/sa-incubator-handbook.html)

support services, resources and mentors, with the aim to shorten the path toward competitiveness and scale. The line between an incubator and an accelerator may be somewhat blurred at times; the terminology of “incubator” is sometimes used to reflect the combination of incubator and accelerator-type services alike.

It is important to note that incubators and accelerators cannot resolve all the issues that face start-ups and SMAEs. A wide variety of ESOs are essential to create the necessary ecosystem to encourage agribusinesses to thrive, be profitable, provide employment, and produce

safe and nutritious food. Kempner (2013)<sup>3</sup> emphasizes the importance and the required breadth of the ecosystem: “Incubators are merely one aspect of the larger entrepreneurial ecosystem, which is comprised of a wide variety of factors, including public policy, human capital, physical infrastructure, civil society and cultural views on entrepreneurship.” Thus, incubators and accelerators should have a good understanding of the national and regional agribusiness incubation ecosystem and establish collaborative partnerships with them to deliver more impactful incubation programmes.

FIGURE 4: SERVICES OF INCUBATOR VERSUS AN ACCELERATOR OVER THE LIFECYCLE OF A BUSINESS



Source: Authors' own elaboration.

<sup>3</sup> Executive Director of ANDE.

### 3.3 Business incubator versus an agribusiness incubator

In the past ten years, “incubation and acceleration” programmes (or hubs and centres) in the agriculture sector have become an essential part of value chain development and enterprise creation strategies in Africa. The goal of agribusiness incubation and acceleration is to encourage competitive SME growth and reduce the initial risks and costs associated with the establishment and scale up of an agribusiness by providing business support services, skills development and technical capacity, market access and networking.

#### **A majority of organizations align themselves to the definition of agribusiness incubators defined by the World Bank (2011).**

This definition emphasizes that agribusiness incubators “enable entrepreneurs to successfully establish and grow their businesses;” “help entrepreneurs manage risks associated with agricultural products;” “increase coordination between actors within target value chains;” and “create demonstration cases that catalyse new business start-ups.”

**Owing to the inherent complexities and risks of the agriculture sector, the objectives and services delivered by an agribusiness incubator or accelerator are different to that of the more traditional incubators.** An agribusiness incubator, therefore, has certain factors that distinguish it from other types of business incubators (infoDev, 2013), which include the following:

- a. Agribusiness incubators must compensate for unique, high-risk agricultural conditions and for high price variability in agribusiness markets. The role of agribusiness incubators involves the creation of farm-level organizations that are sufficiently large to sustain a minimum level of competitiveness, possess a minimum level of business skills and inculcate a minimum level of business-oriented values.
- b. Agribusiness incubators fill in missing links in farm-to-market chains. Part of their strategic mission is to foster the development of agribusinesses, whose value premise is to integrate new and various forms

of farm-to-market value chains, link producers and processors to markets and input providers, among other activities.

- c. Agribusiness incubators help transition from low-value commodities to value-added products. Their role in market tests, therefore, is to assess whether a product will be successful before running up the entire cost associated with the launch, production and stocking of new products.
- d. Agribusiness incubators coordinate policy, strategy and investment priorities within business ecosystems and with governments. They also assist clients in securing financial assistance, such as venture capital or short-term credit, leveraging donor funds and aggressive trade credits and engaging strategic buyers.
- e. Agribusiness incubators must build bridges between rural and urban commercial cultures and various business practices. An essential role for agribusiness incubators to fulfil in developing countries is the integration of rural and urban economies.

#### **The literature on agribusiness incubation (World Bank, 2011) identifies three basic types of incubators;**

(i) agribusiness value chain and sector development incubators; (ii) agricultural research and commercialization incubators; and (iii) technology transfer incubators. Value chain incubators often aim at developing entire agribusiness sectors by filling in gaps in the value chain and adding value, while research and commercialization incubators facilitate the transfer of technological innovation from universities and research institutions to markets. Technology transfer incubators focus on shifting innovation, entrepreneurship and technology to small-scale farmers as well as larger businesses.

**When analysing existing agribusiness incubation models in Africa, the study focuses on the diversity of models, rather than the three specific incubator types identified in the World Bank report.** The study team applied the “incubator variation by type” typology (Table 1) used in GovSA (2014), which provides insight into how incubators operate and generate revenue, as well as their sectors, geographic focus and target clients.



TABLE 1: INCUBATOR VARIATION BY TYPE		
VARIATION	DESCRIPTION	EXAMPLE
<b>Sector focus</b>	Preference for entrepreneurs and SMEs from a particular economic sector	<ul style="list-style-type: none"> <li>• Sector-specific focus (e.g. manufacturing, agriculture)</li> <li>• Multi-sector: provision of services to SMEs from a wide range of sectors</li> </ul>
<b>Geographic focus</b>	Where incubator offers services	<ul style="list-style-type: none"> <li>• Entrepreneurs and SMEs across country, city or region</li> </ul>
<b>Target group</b>	Subset of entrepreneurs and SMEs that the incubator offers its services to	<ul style="list-style-type: none"> <li>• Vulnerable SMEs or entrepreneurs from disadvantaged communities</li> <li>• SMEs that are profitable winners and have a proven business plan</li> </ul>
<b>Operational model</b>	The way in which the incubator is structured and functions	<ul style="list-style-type: none"> <li>• Virtual incubation model: remote provision of services</li> <li>• Bricks and mortar model: provision of services from a physical location</li> <li>• Mixed Model: provision of physical and virtual services</li> </ul>
<b>Revenue-generating model</b>	The system by which the incubator monetizes its services	<ul style="list-style-type: none"> <li>• Fee-for-service model: fee charged for services on a monthly basis or as a percentage of revenue</li> <li>• Equity-swap model: take equity in SME without charging a monthly fee</li> </ul>
<b>Mix of public-private support</b>	Combination of public, semi-public and private actors involved in establishing and operating the incubator	<ul style="list-style-type: none"> <li>• Government-owned incubator</li> <li>• Incubator established in partnership between public and private sectors</li> <li>• Incubator established and supported privately</li> </ul>

Source: GovSA (Government of South Africa). 2014. *South Africa Business Incubator Establishment Handbook: A Guide to Establishing Business Incubators in South Africa*. Pretoria, Department of Trade and Industry, also available at [www.za.undp.org/content/south\\_africa/en/home/library/other-publications/sa-incubator-handbook.html](http://www.za.undp.org/content/south_africa/en/home/library/other-publications/sa-incubator-handbook.html)

# 4. AGRIBUSINESS INCUBATION LANDSCAPE IN AFRICA

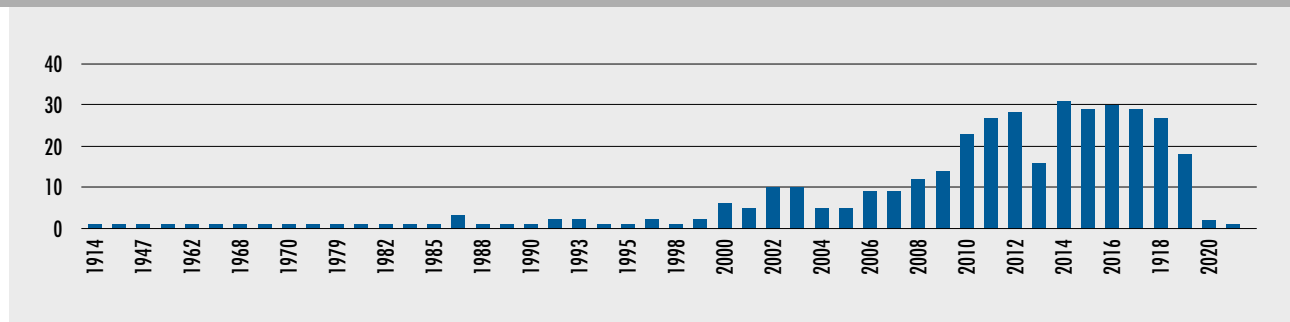
The following section summarizes the key findings and messages from the mapping and analysis of 430 ESOs in the African region.

## 4.1 Overall findings

**Finding 1:** Agribusiness incubation is a relatively recent development in Africa, with significant growth observed only since 2010 – about 20 years behind other more developed countries.

Out of the 430 ESOs mapped for the study, the majority is based and operates in Africa (353). The number of organizations in a country or region may provide an overall indication of the level of activity, but the absolute numbers of incubators and accelerators, however, will be higher. For example, in Tunisia, organizations such as L'Agence de promotion des investissements agricole have seven incubators under one umbrella organization, while Raizcorp in South Africa has 13 incubators in four countries and Wennovation Hub in Nigeria has four hubs across the country.

**FIGURE 5:** NUMBER OF ENTREPRENEUR SUPPORT ORGANIZATIONS MAPPED, ACCORDING TO YEAR OF ESTABLISHMENT



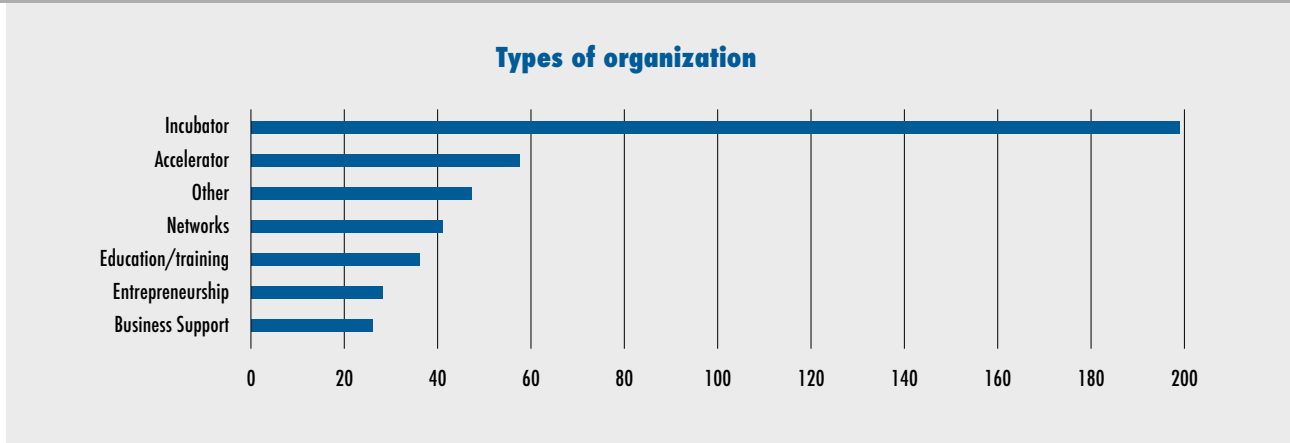
Source: Authors' own elaboration.

**Finding 2:** The majority of ESOs refer to themselves as incubators and accelerators (Figure 6). Most ESOs work across different sectors, with approximately 35 percent (150 ESOs) dedicated entirely to agriculture and agribusiness (Figure 7).

The programmes managed by these ESO are quite diverse in terms of goals and business models, including those established or operated by the government (e.g. Small Enterprise Development Agency [Seda]

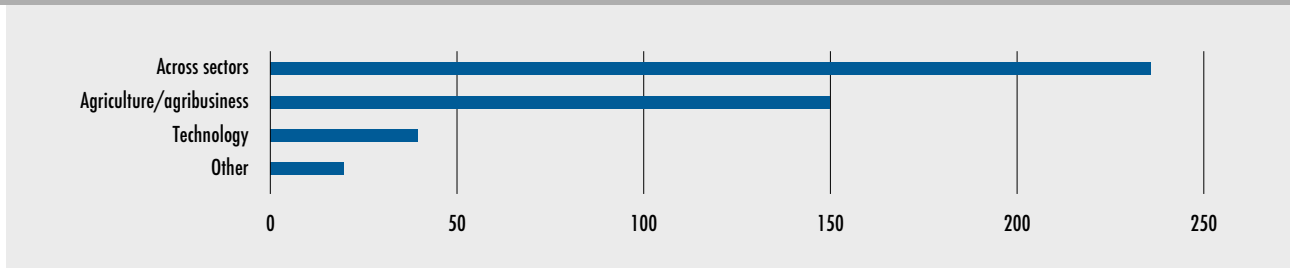
in South Africa; and Uganda Industrial Research Institute [UIRI]); private sector (e.g. TEF, Raizcorp, blueMoon), universities and research organizations (e.g. RUFORUM and International Institute of Tropical Agriculture [IITA]), network organizations (e.g. African Women's Agribusiness Network and AAIN) and non-governmental and non-profit associations (2SCALE, TechnoServe, SNV and ANDE).

**FIGURE 6: HOW ESOS DEFINE THEMSELVES**



Source: Authors' own elaboration.

**FIGURE 7: SECTORS OF ACTIVITY OF ESOS**



Source: Authors' own elaboration.

**Finding 3:** Eight countries (Egypt, Ghana, Kenya, Morocco, Nigeria, South Africa, Tunisia and Uganda) make up 59 percent of all ESOS (Figure 8).

The countries with the highest number of ESOS comprise some of the largest African economies, although Uganda is particularly dynamic for its size and gross domestic product. There are also considerable ongoing developments in the United Republic of Tanzania. Although not yet reflected by the number of ESOS, there is strong interest in incubation in Angola and Namibia, evident from the high participation numbers at webinars organized by FAO to share the findings of this study.

**Finding 4:** There are comparatively fewer agribusiness-focused ESOS in North Africa – only 16 percent. In contrast, sub-Saharan Africa has over 40 percent of ESOS that focus entirely on agribusiness.

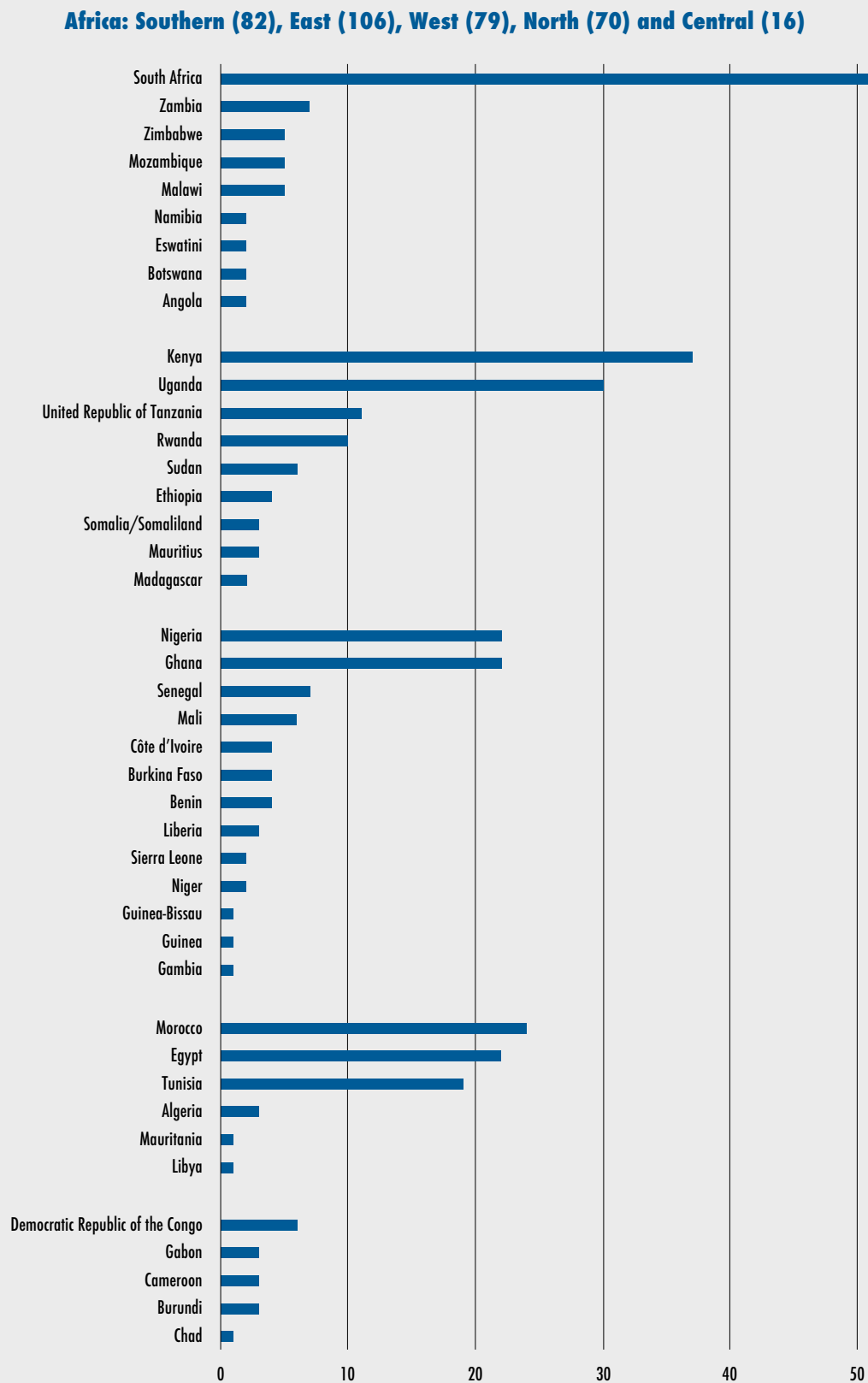
When analysing ESOS that are entirely dedicated to agriculture and agribusiness, the scenario somewhat differs (Figure

9). Uganda and Kenya top the ranking, followed by Ghana, South Africa, and Nigeria. The United Republic of Tanzania and the Democratic Republic of the Congo also have significant activity.

**Finding 5:** In general, francophone West Africa and Central Africa lag behind other sub-regions, although there is evidence of an emerging entrepreneurial culture and ecosystem.

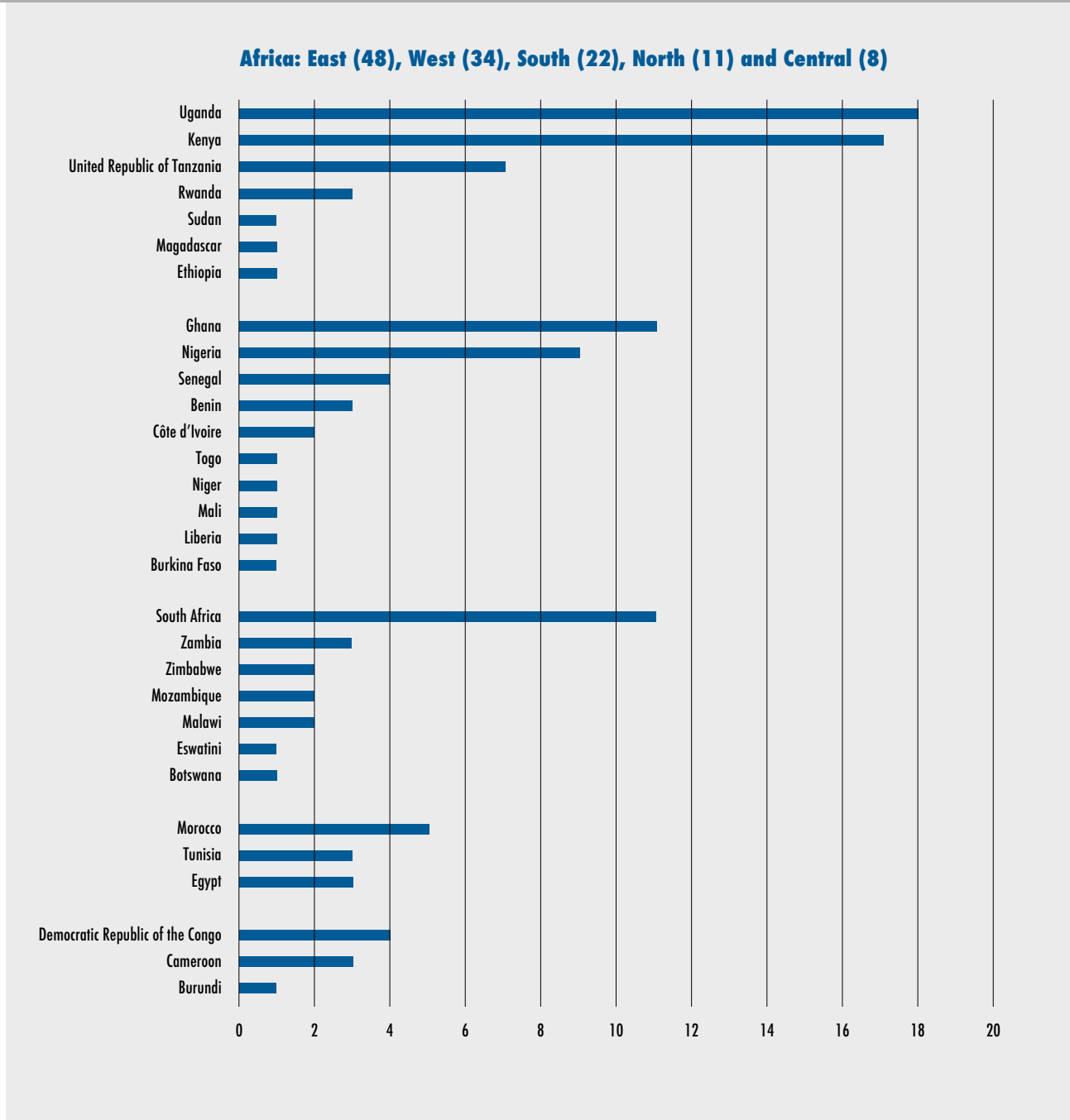
The investment group Seedstars produces an annual index to measure the quality, potential and maturity of technological ecosystems in the 75 emerging markets in which it operates. The three pillars analysed include opportunities, environment and culture. While there are significant differences between countries in the region, in general, the index gives a low rating to the entrepreneurial culture of francophone African countries. This lower level of activity is not only evident in agribusiness, however, it also is evident in tech start-ups in the same region, where total investment was also lower, according to Partech (2020) (Figure 10).

**FIGURE 8: NUMBER OF ESOS WITH HEADQUARTERS IN AFRICA**



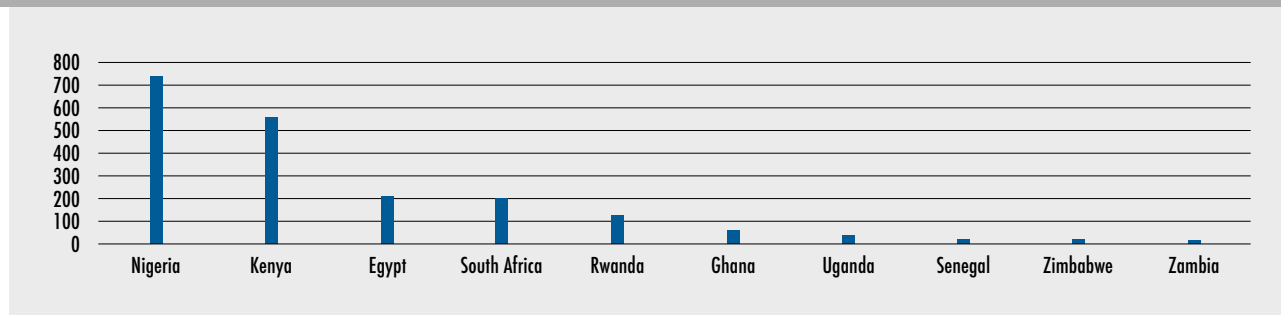
Source: Authors' own elaboration.

**FIGURE 9: NUMBER OF ESOS FOCUSED ON AGRIBUSINESSES, WITH HEADQUARTERS IN AFRICA**



Source: Authors' own elaboration.

**FIGURE 10: ANALYSIS OF TOTAL INVESTMENT IN TECH START-UPS IN 2019 (MILLIONS USD)**



Source: Partech. 2020. *Africa Tech Venture Capital Report*, available at <https://partechpartners.com/news/2019-partech-africa-report-here-and-its-best-yet-us-2-02-b-raised>

“As in other francophone countries, entrepreneurship in the Democratic Republic of the Congo is not a natural choice. More importantly the education system and role models do not seem to promote growth-entrepreneurship. In general, entrepreneurship in the Democratic Republic of the Congo is perceived as something that one does out of necessity, after having failed to find “proper” employment” (Z, 2018).

The positive news, however, is that there is significant progress in francophone West Africa and Central Africa. According to Dauchez (2019), “the spirit of creativity and rebellion, which are necessary ingredients for any technological ecosystem” are growing in francophone West Africa. Another sign of progress is the number of entrepreneurs selected by the TEF programme in 2019 from several francophone countries in West Africa and Central Africa. Nigeria and Uganda were top of the list, with 1 112 and 261 entrepreneurs, respectively; Benin was in third place with 156, followed by Kenya (116), Cameroon (102) and the Democratic Republic of the Congo (102). Francophone African countries are clearly emerging in terms of entrepreneurs launching their projects and investors to support this promising ecosystem.

**Finding 6: Agritech start-ups are growing, but continued investments in connectivity, infrastructure and regulatory frameworks for digital payments is needed.**

Agritech start-ups showing impressive growth, reflected a profound boom since 2016. In sub-Saharan Africa alone, the sector has been growing by 44 percent per annum over the last three years. Current estimates indicate that by 2030, over 80 percent of smallholders

could have access to smartphones and mobile solutions, and more than 200 million smallholders will be registered for agritech solutions (CTA, 2019).

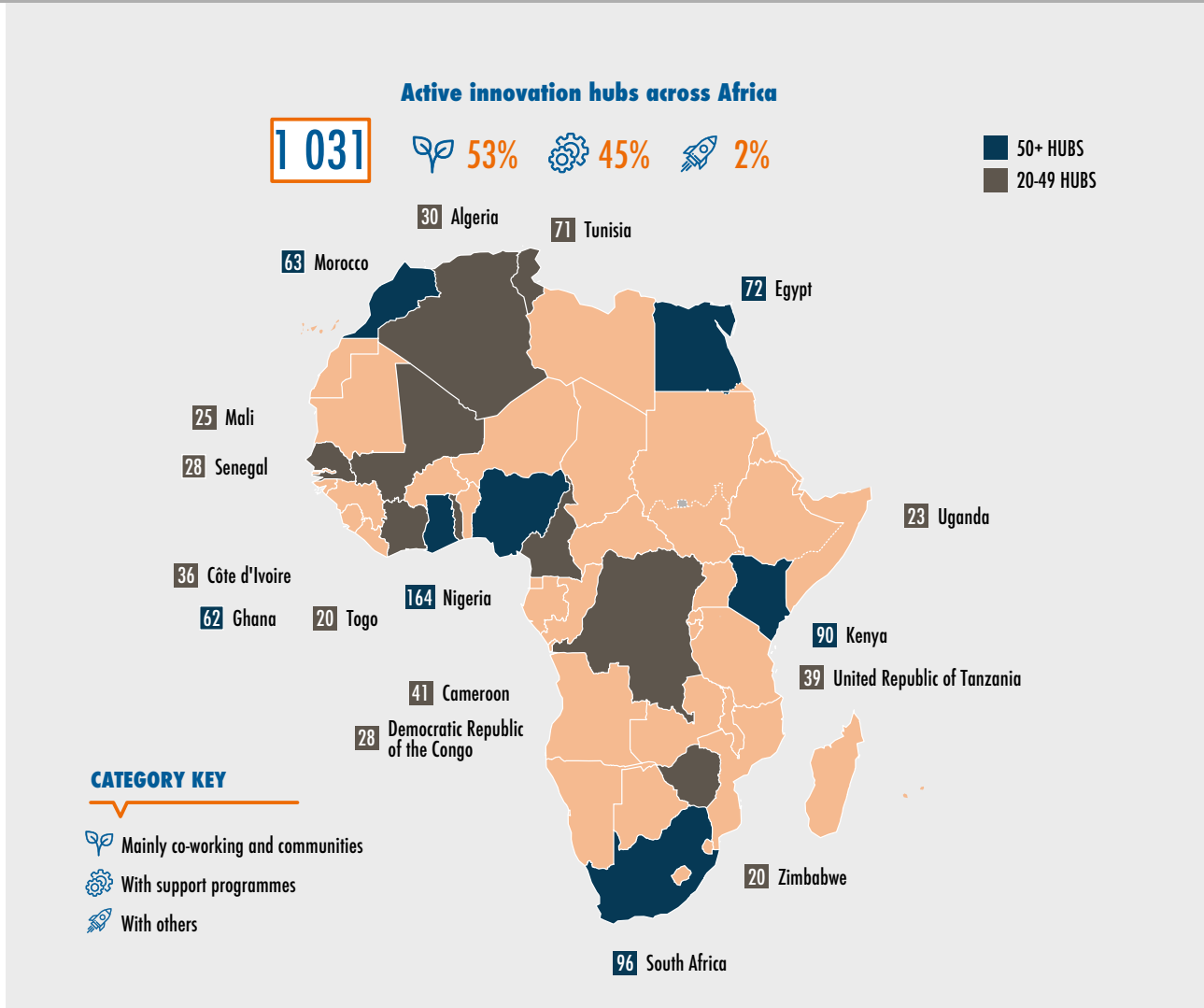
Moreover, while there has been a tremendous growth in tech hubs<sup>4</sup> across Africa, not all these have significant activities in agriculture (agritech hubs). According to Afrilabs, there are over 1 030 tech hubs across Africa, of which 45 percent have entrepreneur support programmes, 53 percent are mainly co-working facilities and communities (Figure 11). Among the mapped ESOs, however, only 32 focus on agritech, which were included in the mapping.

One of the significant challenges in capturing these huge opportunities is the search for engineers with experience in advanced coding. Wennovation Hub in Nigeria, for example, had to establish its own coding school. According to Société incubation digitale numérique du Gabon (SING), software engineers with university training are available in Gabon; however, they lack the experience to run complex projects. Hadina Rimtic in Mauritania has promoted several initiatives to enable access to and knowledge of information technology coding. There also is an active community in Mauritania, the Women Techmakers, which is a network of young women and girls in technology, financed by Google.

Agritech most certainly holds enormous potential to help increase productivity in Africa, improve climate resilience, and decrease input costs and environmental impact, as well as to open new opportunities in supply

<sup>4</sup> According to the Global System for Mobile Communication, a “tech hub” is defined as an active organization with a physical local address that offers facilities and support for tech and digital entrepreneurs.

FIGURE 11: ESTIMATED ACTIVE TECH HUBS IN AFRICA



Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by FAO. Final boundary between the Republic of Sudan and the Republic of South Sudan has not yet been determined. Final status of the Abyei area is not yet determined.

Map source: FAO. 2018. *Making History: Eradicating Peste des Petits Ruminants - PPR (or sheep and goat plague)*. Rome. <https://www.fao.org/3/CA1206EN/ca1206en.pdf>.

Data from Briter Bridges & Afrilabs. 2021. *Bolstering innovators in Africa: Innovation hubs' catalytic role as ecosystem support organisations*. <https://briterbridges.com/bolstering-innovators-in-africa>. The heat map depicts the countries with 20+ hubs based on operational geographies.

chains. From start-ups that will leverage artificial intelligence to help farmers better manage potential risks and disasters (e.g. droughts, pests and diseases) to precision irrigation applications for crop farmers, the agritech sector in Africa has enormous potential. The growing use of tech applications – everything from soil testing and drone technology through microcredit and micro-insurance availability – will increase overall productivity in the agriculture sector. It is extremely important that the public sector continues to invest in Africa's digital ecosystem and that it makes significant improvements in connectivity, infrastructure and regulatory frameworks for digital payments.

**Finding 7:** There is limited focus on agroprocessing pilot facilities; only 17 out of the 150 ESOs that focus on agriculture and agribusiness offer these types of services.

This is a clear gap and challenge for SMEs and young entrepreneurs in prototyping and piloting value-added products and innovations. The ESOs that offer agroprocessing pilot facilities include:

- UIRI, Uganda.
- Makerere University, Department of Food Technology and Nutrition, Uganda.

- Universities Business and Research in Agricultural Innovation (UniBRAIN) initiative, supported by the Danish Development Agency (DANIDA) and implemented by a consortium led by the Forum for Agricultural Research in Africa (FARA); Consortium for Enhancing University Responsiveness to Agribusiness Development (CURAD) in Uganda; Agribusiness Incubation Trust in Zambia; and Sorghum Value Chain Development Consortium in Kenya.
- Kenya Industrial Research and Development Institute (KIRDI) in Kenya.
- Food Processing Hub, University of Nairobi, Kenya.
- CGIAR, including IITA in Nigeria and the International Crops Research Institute for Semi-Arid Tropics in Mali.
- French Development Agency TRANSFORM project in Côte d'Ivoire (in collaboration with the Institut européen de coopération et de développement), has a processing laboratory for testing and piloting of processed local farm products.
- Agribusiness Innovation Center (AIC) in the United Republic of Tanzania is an agroprocessing service centre under the Private Agricultural Sector Support Trust, focusing on (i) expanding value-added enterprises; and (ii) on youth and women entrepreneurs in the United Republic of Tanzania. Funding for AIC derives from DANIDA–World Bank.
- Agribusiness Innovation Center in Senegal.
- Bakery and Food Technology Incubator (BICSA) in South Africa.
- Nestlé R&D Accelerator's programme in Côte d'Ivoire, whereby university teams have access to Nestlé's R&D expertise and infrastructure at the company's R&D centre in Abidjan, including shared labs, kitchens and pilot testing equipment.
- The Food Processing Technology and Incubation Plant established at the National Agricultural Research Laboratory (NARL) in Kawanda, Uganda. The project was supported by the Korea Rural Community Cooperation.
- SPARK's Agri-business Incubation Network programme also provides agroprocessing facilities for cassava through its incubation hub in Cibitoke, Burundi.

The availability of processing facilities to meet the needs of agripreneurs and SMEs in the region is inadequate. African agricultural exports remain dominated by primary exports of unprocessed products. Of the USD 62 billion in agricultural products exported by Africa in 2017, only USD 12 billion were classified as processed goods (Bouët and Odjo, 2019). The huge difference in the farm gate price of coffee in East Africa compared to the price of a coffee in a café in Europe or the United States of America is well known. There are other powerful examples of opportunity, however, to add local value through processing. The global market for cashew nuts is booming, and African countries grow more than half of the world's supply (including Benin, Côte d'Ivoire, Ghana and the United Republic of Tanzania). However, less than 15 percent of these nuts are shelled in Africa; the rest are mainly exported to India and Viet Nam for de-shelling, where a further part of the value chain is captured. The nuts are then exported to Europe and North America, where 60 percent of traded kernels are roasted, salted and packaged. The final selling price in Europe is approximately USD 6/kilogram compared to below USD 1/kilogram at the farm gate in Côte d'Ivoire (UNCTAD, 2021).

The main reasons for the limited processing pilot facilities attached to incubators and accelerators are likely to be the high investment and maintenance costs required to set up and operate a pilot plant and its associated laboratory. Depending on the range and type of product and processing, the minimum investment for a pilot plant would be between USD 600 000 and USD 1 million. KIRDI, for instance, provided the research team with a list of equipment necessary for a processing facility, which amounted to USD 600 000. Considering the costs of the building, facilities and utilities, this amount would most likely become higher. In contrast, the cost of setting up an office-style incubation facility or tech hub is extremely low.

It is essential, therefore, that African countries develop their agribusiness sectors to diversify exports and develop advantages beyond the primary stage of production. Whereas setting up a pilot plant entails large investments and high operating costs, experimental kitchens, in contrast, could play a role in prototyping innovative food products. On the one hand, a pilot plant is a pre-commercial production system that is able to produce small volumes of new products and training in processing technologies. On the other hand, an experimental kitchen is a well-equipped commercial kitchen that is able to prototype innovative food products. Experimental kitchens can



provide effective spaces for start-ups and scale-up food enterprises in a way that creates a collaborative playground for food enthusiasts and entrepreneurs to realize their creativity. Examples in the United States of America include La Cocina, Mess Hall and Union Kitchen; in Ireland Newmarket Kitchen and Ballybay Food Hub. Only one was located in Africa – Makers Landing in South Africa.

## 4.2 Regional snapshots

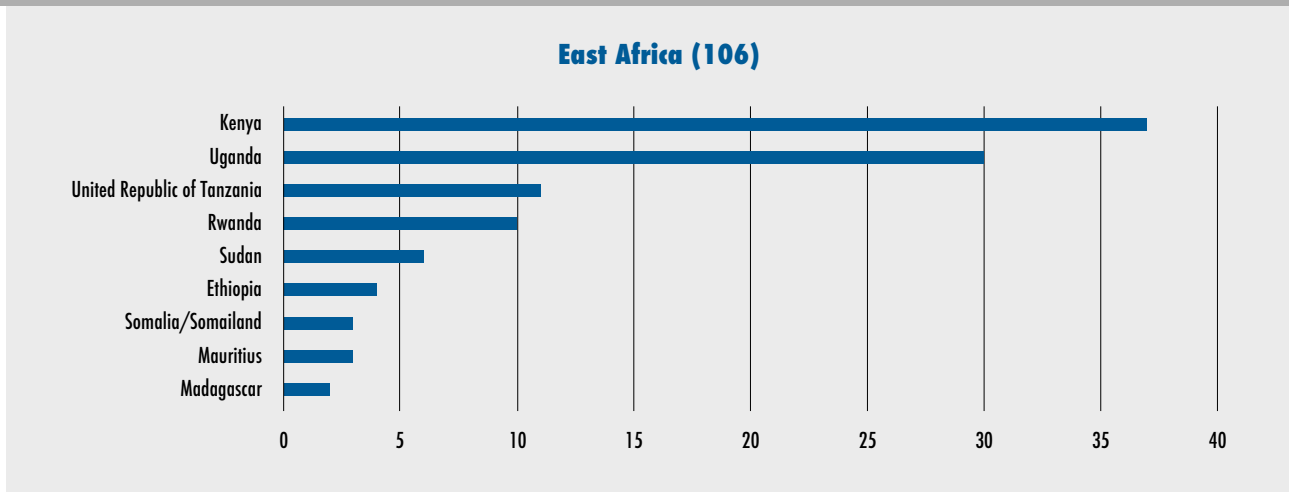
### 4.2.1 East Africa

In East Africa, Kenya and Uganda have the highest activity, especially with organizations that focus on agribusiness. The majority of ESOs with processing pilot plants are located in Uganda (UIRI, CURAD and Makerere University’s Department of Food Technology and Nutrition) and Kenya (KIRI and the University of

Nairobi Department of Food Science, Nutrition and Technology). Both universities fall within the top 20 universities in Africa.

Like South Africa, Kenya is also home to several network organizations that work across the continent, such as RUFORUM, Africa Women’s Agribusiness Network (AWAN), Generation Africa and the Pan African Agribusiness and Agro Industry Consortium). The United Republic of Tanzania has several agribusiness-focused ESOs, including the Agribusiness Innovation Center, Africa Agribusiness Academy and Sokoine University of Agriculture. The African Management Institute, which has pioneered in blended learning and online courses, is based in Kenya. It had huge growth during the COVID-19 pandemic, as its experience and training platform technology was ideally placed to capture the opportunities of increased connectivity. One private sector ESO in East Africa should be mentioned in particular; The Innovation Village in Uganda.

FIGURE 12: NUMBER OF ESOS WITH HEADQUARTERS IN EAST AFRICA



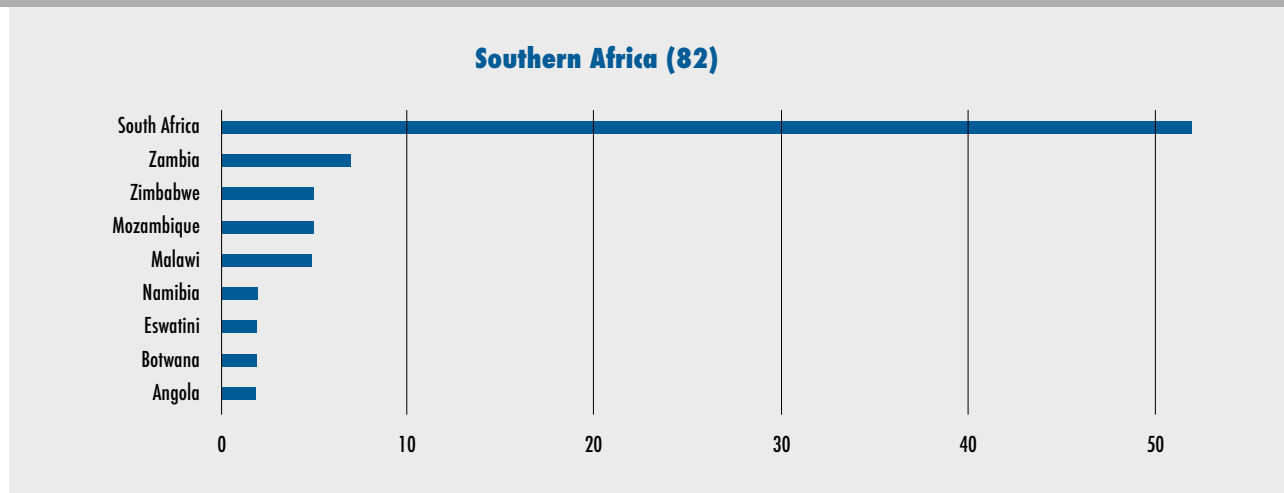
Source: Authors’ own elaboration.

### 4.2.2 Southern Africa

In Southern Africa, South Africa is largely ahead of the other countries. This is linked to several factors: size of economy, emphasis of government on Black Economic Empowerment and the creation of Small Enterprise Development Agency (Seda). Seda was established in 2004 and is mandated to implement the government’s small business strategy; to design and implement a standard and common national delivery network for small enterprise development;

and to integrate government-funded small enterprise support agencies across all tiers of government. Seda has founded (or co-founded) incubators in agriculture and agribusiness, including BICSA, Seda Agricultural Mining and Tooling Incubator, Seda Essential Oils Business Incubator and SoftStart Business and Technology Incubator. Seda also supports two of the longest operating agribusiness incubators in the region: Mobile Agri Skills Development and Training (MASDT) and Timbali Technology Incubator (Timbali).

**FIGURE 13: NUMBER OF ESOS WITH HEADQUARTERS IN SOUTHERN AFRICA**



Source: Authors' own elaboration.

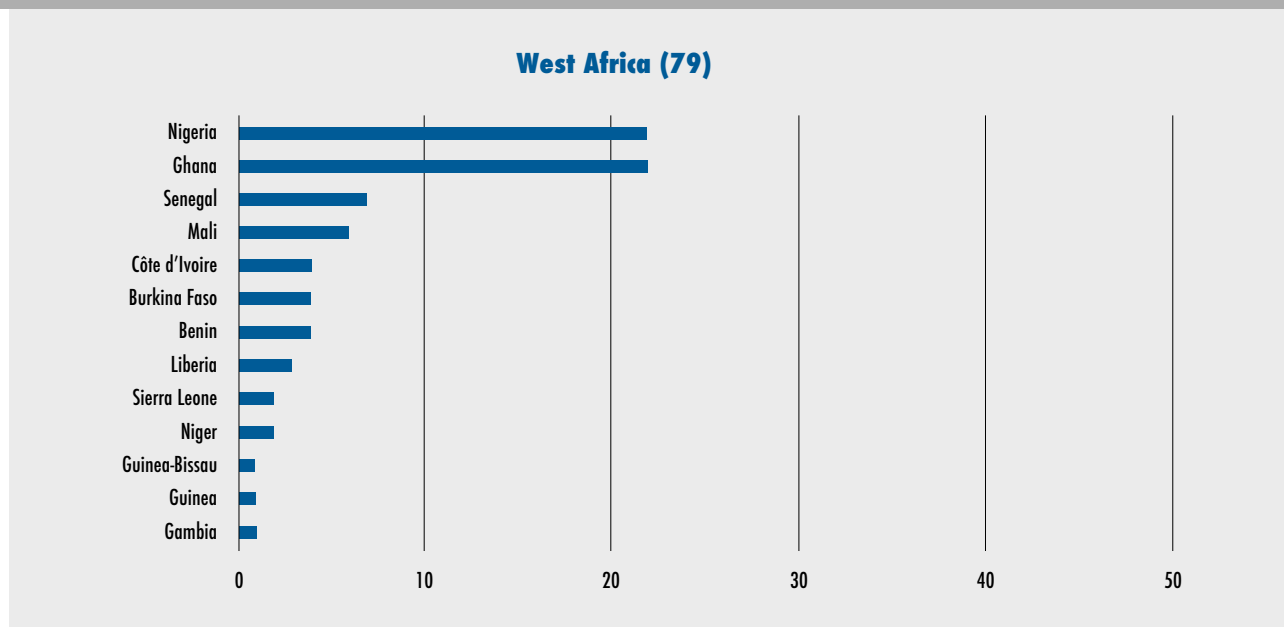
South Africa is second to Kenya in agritech hubs and is also home to Raizcorp, one of the most successful private sector ESOS described by The Economist (2017) as “the only incubator that is profitable without grants”. Several agribusiness network organizations that work across the continent also are located in South Africa, including the African Agri Council, Africa Women Innovation and Entrepreneurship Forum and Global African Agribusiness Accelerator Platform. Stellenbosch University and the University of Pretoria, ranked within the top 10 universities in

Africa by *U.S. News and World Report* (2022), also have active programs in agribusiness. TechnoServe is particularly active in supporting entrepreneurship in Mozambique, whereas Angola, Namibia and Zambia are likely to show significant development in agribusiness incubation in the near future.

### 4.2.3 Western Africa

West Africa has pioneered agribusiness incubation with the visionary work of Nteranya Sanginga, Director

**FIGURE 14: NUMBER OF ESOS WITH HEADQUARTERS IN WEST AFRICA**



Source: Authors' own elaboration.

General of IITA in Nigeria. The model of the IITA Youth Agripreneurs has largely shaped the AfDB's ENABLE Youth programme and has had a strong influence across the continent (Ohanwusi 2018). The Forum for Agricultural Research in Africa, "the apex continental organization responsible for coordinating and advocating for agricultural research for development" is based in Ghana and oversaw the establishment of six agribusiness incubators in Africa under the DANIDA UniBRAIN initiative. Some of these ESOs, such as CURAD in Uganda, have grown tremendously, while others have not been as successful.

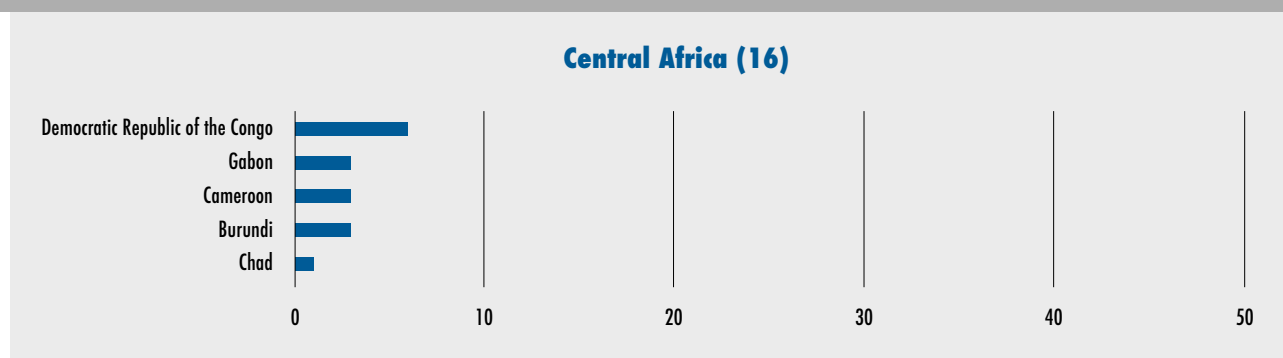
Nourishing Africa was initiated in Nigeria in 2019 by Nididi Okonkwo Nwuneli, a successful female agripreneur, who founded AACE Foods and Sahel Consulting. In a short space of time, Nourishing Africa has become a vibrant cross-Africa network organization. The Tony Elumelu Foundation (TEF),

which is based in Lagos, is effecting a huge impact across Africa, having trained and financed over 15 000 entrepreneurs in the last seven years. The **work** of private sector ESOs should also be mentioned, such as Wennovation Hub in Nigeria. The levels of activity in Benin, Burkina Faso, Côte d'Ivoire, Mali and Togo are somewhat low for reasons that will be discussed later in this section.

#### 4.2.4 Central Africa

The number of ESOs is quite low in Central Africa. The most active country is the Democratic Republic of the Congo where the main activity relates to agriculture and agribusiness, with the AfDB's ENABLE Youth, as well as the Université Catholique de Bukavu's Agribusiness Incubation Centre (one of the RUFORUM-supported incubation centres) and Ingenious City.

FIGURE 15: NUMBER OF ESOS WITH HEADQUARTERS IN CENTRAL AFRICA



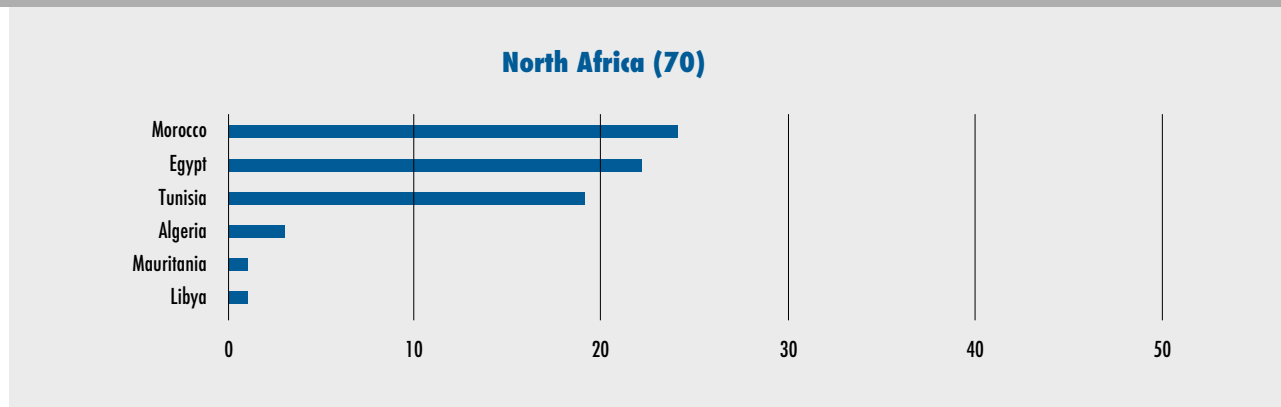
Source: Authors' own elaboration.

The American non-profit Mavuno is active in supporting agricultural start-ups in the east of the Democratic Republic of the Congo, while Youth Entrepreneurs Corporation and Génération Epanouie are working across sectors. In Gabon, there are several active tech hubs that include activities in agritech: Société d'Incubation Digital Numérique du Gabon and Ogooué Labs. Although there is a general shortage of software engineers across the continent, Gabon has trained many engineers; however, they lack experience and need to connect to bigger projects (e.g. European) to become credible and able to win contracts. In Cameroon, the ENABLE Youth programme is in operation, as is Agri-PME Fondation.

#### 4.2.5 North Africa

It has been more challenging to identify ESOs in North Africa, which may be due in part to some of the activities being rather local and not well-documented; input from Tunisia certainly indicated this. While Egypt, Morocco and Tunisia have the highest number of organizations, the majority work across sectors, with few focusing on agribusiness in comparison to sub-Saharan Africa. Egypt is the most dynamic and is more focused on innovation and technology than the other North African countries, evidenced by its high number of tech hubs. The development of incubators and accelerators is much more recent in Egypt than in Morocco. However, Morocco is developing very

**FIGURE 16: NUMBER OF ESOS WITH HEADQUARTERS IN NORTH AFRICA**



Source: Authors' own elaboration.

fast through initiatives such as Generation Green and organisations such as the Mohammed IV Polytechnic University (UM6P) and aims to have pan-African impact.

Several other government ministries, agencies and offices in Morocco have entrepreneurship programmes, including the Ministry of Employment and Social Affairs (Ministère de l'Emploi et des Affaires Sociales) (Programme de promotion de l'entreprenariat); Office National du Conseil Agricole; Agence de Développement Agricole; and Agence de Développement Social, among others. The Programme Intégré d'Appui et de Financement des Entreprises to encourage young entrepreneurs is an integrated scheme, initiated by the Government of Morocco, and is guaranteed by the Caisse Centrale de Garantie. A series of banks participate in the programme, including BMCE Bank of Africa, Attijariwafa Bank, Bank Al Amal, Crédit du Maroc, Arab Bank, CIH Bank and Banque Populaire. The programme offers support to access finance, coaching and access to networks. Government

support for entrepreneurship is also quite strong in Egypt and Tunisia. In Tunisia, the government-funded Agency for Agriculture Investments (Agence de Promotion des Investissements Agricoles) has established seven incubators across the country. The programme initiated by Agence National pour l'Emploi et le Travail, under the Tunisian Ministry of Professional Training and Employment, is known as Business Creation and Entrepreneurship Training (Création d'Entreprises et Formation d'Entrepreneurs).

# 5. ESO AND INCUBATOR DEEP DIVES

Sixteen (16) ESOs were profiled to provide more insight into their operating models, impacts and challenges (Table 2). The main factors considered in selecting the ESOs were:

- a mix of for-profit and non-profit incubators;
- incubators and accelerators that have a focus on the agrifood sector; and
- availability of information on their websites and other secondary sources.

Some profiles were based on field visits prior to the COVID-19 pandemic, including to blueMoon and

EAAP (Ethiopia); MASDT and RaizCorp (South Africa); and AgriLab, TEF and Wennovation Hub (Nigeria). The two-page profile for each of these ESOs, including their results, key success factors and challenges, can be found in the Annex. Key messages drawn from these 16 profiles, together with the ESO mapping exercise, are presented in the preceding sections to the Annex. Due to the COVID-19 pandemic, further field visits were not possible. Thus, the remaining profiles were based on publicly available information on the website of each ESO, the literature on them, key online interviews, as well as information through subregional webinars organized to share and validate study findings.

**TABLE 2: INCUBATORS-INCUBATION PROGRAMMES AND ESOS SELECTED FOR FURTHER INSIGHT AND ANALYSIS**

NAME	ESTABLISHED	COUNTRY	SECTOR	TYPE
1. blueMoon <sup>a</sup>	2017	Ethiopia	AgriTech	For-profit
2. Ethiopian Agribusiness Acceleration Platform	2017-2020	Ethiopia	Agriculture	Non-profit
3. Timbali Technology Incubator	2003	South Africa	Agriculture	Non-profit
4. Mobile Agri Skills Development and Training (MASDT)	2005	South Africa	Agriculture	Non-profit
5. Raizcorp	2000	South Africa	Multi-sector	For-profit
6. Tony Elumelu Foundation	2015	Nigeria	Multi-sector	Non-profit
7. AgriLabs	2019	Nigeria	AgriTech	For-profit
8. Wennovation Hub	2010	Nigeria	Multi-sector	Hybrid
9. AgriRowad	2012	Egypt	Agriculture	Non-profit
10. Athar	2019	Egypt	Multi-sector	For-profit
11. CURAD	2011	Uganda	Agriculture	Non-profit
12. RUFORUM RECAP	2017	Multi-country	Agriculture	Non-profit
13. IITA-Youth Agripreneurs	2012	Multi-country	Agriculture	Non-profit
14. ENABLE Youth	2016	Multi-country	Agriculture	Non-profit
15. 2SCALE	2012-2024	Multi-country	Agriculture	Non-profit
16. African Agribusiness Incubators Network (AAIN)	2015	Network	Network	Non-profit

Note <sup>a</sup> Unfortunately, since the date of the research blueMoon no longer operates as a full incubator and only as a co-working facility.  
Source: Authors' own elaboration.

## 5.1 Definitions and terminology

### Key messages:

- There is a lack of clarity of the concepts and terminologies of business incubation. While many ESOs refer to themselves as incubators, self-categorization does not always accurately reflect the nature and services offered by an incubator or accelerator.
- A distinction also needs to be made between agribusiness incubation programmes and agribusiness incubators. There are many development partners and government-funded incubation programmes that run project-based incubation programmes. There are also some ESOs that offer some of the services that an incubator does. An incubator, on the other hand, is an organization whose core-business revolves around delivery of a comprehensive set of incubation facilities and services to entrepreneurs.
- Lack of clear terminology, business models and performance benchmarks of agribusiness incubators make comparative analysis and drawing best practices significantly challenging. There is a need for more sector-specific agribusiness incubator benchmarks and guidance documents that consider the unique characteristics of the agrifood sector.

**While the majority of ESOs mapped in the study refer to themselves as incubators or accelerators, a closer look at the ESO profiles indicates that self-categorization does not always accurately reflect the nature and types of their services.** While an incubator in theory offers long-term support, incubators such as blueMoon and AgriLab offer relatively short-term four-month incubation programmes. BlueMoon's four-month incubation is followed by 12 months of mentoring. AgriLab's Ventures Platform's post-incubation support was provided through regular health-checks.

Wenovation Hub from Nigeria and Athar from Egypt offer a particularly interesting example of "start-up accelerators". They often target new and early-stage start-ups and support them to "accelerate" their growth over a short period of time. In the case of Wenovation, they offer a 6–12 week agritech incubation programme, whereby ten start-up teams are supported to build their MVPs through a combination of peer learning, mentorship and seed capital. Similarly, Athar runs

"Today, you can't throw a stone without someone calling themselves an incubator. Effectively, what's happened is that you have a lot of people who are essentially a one-man band working from home calling themselves an incubator." (Business Media Mags, 2021).

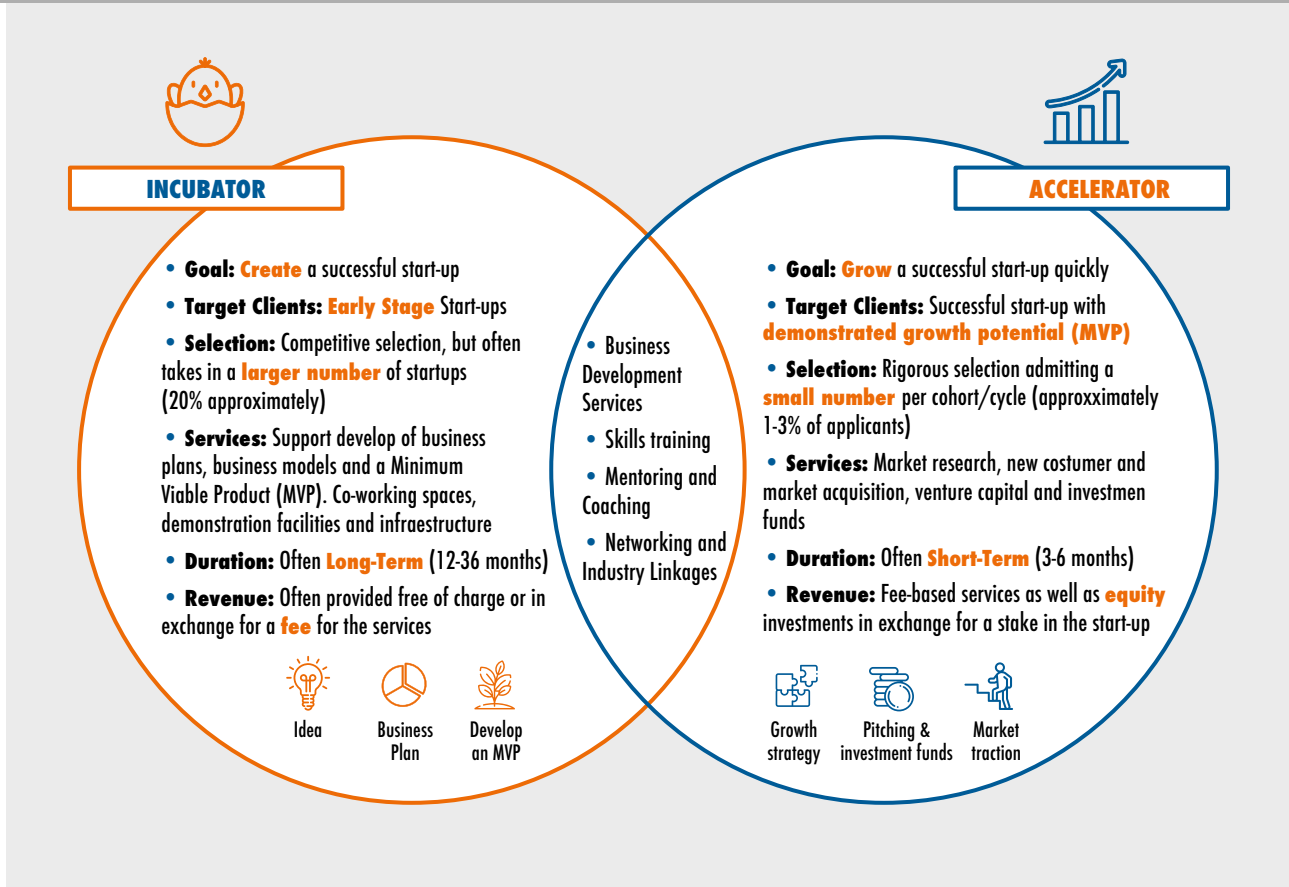
**Allon Raiz,  
CEO – Raizcorp**

a four-month incubation programme supporting start-ups with capacity building to validate their business plans, a grant of diEGP 20 000 (equivalent to USD 1 272), and support to build an MVP and scalable business model. The lines between a start-up accelerator and a business incubator can become somewhat blurred, with the main difference being the goal; that is, the accelerator aims at supporting early-phase start-ups to scale up as quickly as possible, while the incubator takes a more gradual approach over a longer duration. In contrast, the accelerator often works with an established business that has demonstrated its potential and which already has at least an MVP.

In contrast, the two South African agribusiness incubators, Timbali and MASDT, manage a comprehensive pre-incubation programme, followed by a three-year incubation period. CURAD's business incubator runs a pre-incubation and incubation programme that is designed for businesses to graduate within 12 months upon completion of their engagement contract.

There is also a distinction to be made between an incubation programme and an incubator. On the one hand, many ESOs provide a set of services often offered by an incubator (e.g. training, mentorship, access to finance). Similarly, there are many development partners and government-funded project-based incubation programmes – which are not necessarily anchored in a business incubator. An incubator, on the other hand, is an organization whose core-business revolves around delivery of a comprehensive set of incubation facilities and services to entrepreneurs. MASDT, CURAD, Timbali, Wenovation Hub, Raizcorp and blueMoon all have features that determine them as business incubators and accelerators.

FIGURE 17: INCUBATOR VERSUS ACCELERATORY: DIFFERENCES AND SIMILARITIES



Source: Authors' own elaboration.

For example, TEF, which at times is referred to as Africa's largest business incubator, runs a significantly large entrepreneurship programme. The TEF Entrepreneurship Programme is based on a 12-week intensive training programme that equips start-ups with the basic skills required to launch and manage their businesses at the early growth stage. Other examples include project-based incubation programmes, such as EAAP, RUFORUM's University Incubation Hubs and 2SCALE, among others. These projects have different life spans; EAAP ran as an incubation and acceleration programme for the honey value chain from 2017 to 2020, while 2SCALE, a USD 300 million incubation programme that began in 2012, is currently in its second phase of implementation to 2024. RUFORUM's programme supports establishing university-based incubation hubs supporting them over a two-year period.

### 5.1.1 Reflections

The issue of lack of clarity on terminology and concepts of business incubation is not unique to Africa. With the exception of South Africa to a degree, no country in Africa is known to have any specific policies or guidance documents on agribusiness incubation and acceleration. South Africa's Business Incubator Establishment Handbook (GovSA, 2014) and incubation policy (Seda, 2018), while not specific to the agribusiness sector, introduces the concepts and terminologies of business incubation, as well as provides a rich source of information and support available for incubators and opportunities in South Africa.

Developing benchmarking frameworks is not about developing rigid definitions, but rather develop key parameters that allow for the setting of industry standards and performance benchmarks. Lack of knowledge of incubation terminology, concepts and processes, for instance, is considered one of the key limiting factors in establishing UniBRAIN incubators. As a result, their

establishment phase took nearly two years (Hjortsø, Alexander and Hernandez Chea, 2017), which is much longer than anticipated. The absence of clear definitions and corresponding service offerings also risks confusion at the target client, partner and funder levels in terms of expected support. Furthermore, lack of clarity and inaccurate categorization may result in challenges to comparative analysis and in drawing best practices.

**The above factors highlight a clear call for more sector-specific agribusiness incubator benchmarks and guidance documents.** The aim is not to create rigid definitions of agribusiness incubators, but rather key features and services of an agribusiness incubator and a few key performance indicators and parameters that would allow a more robust understanding of the impacts of agribusiness incubators and incubation programmes.

## 5.2 Types of business incubators and how they are funded

### Key messages:

- A large diversity of business incubation models exists, including agriculture-specific models in Africa. There is, however, scant documentation relating to the approaches, business models and success stories of agribusiness incubation. It is therefore a challenge to draw comparative analysis and good practices across these models.
- The majority of incubators analysed were established and operated with funding from development partners, financial institutions and governments. Even in more developed countries, most incubators are established and supported by public funding. Furthermore, achieving full sustainability, even for commercially oriented incubators, is challenging and cannot be gained (if at all) in less than five or even ten years (Hjortsø, Alexander, and Hernandez Chea, 2017).
- Establishing an agribusiness incubator is an expensive endeavour. Government and development funding, therefore, will continue to be crucial to strengthen Africa's agribusiness incubation ecosystem. Establishing new agribusiness incubators, however, should be integrated within broader economic development strategies and programmes. Government and development partners should ensure the adoption of a long-term approach, with resource commitments beyond five years and with clear exit and sustainability strategies for medium- to long-term funding.
- Earlier studies relating to agribusiness incubation in Africa include reports by the World Bank (2011) and Didoni and Varcando Ltd. (2020), as well as the experiences and lessons learned from DANIDA's UniBRAIN Agribusiness Incubation Programme (Hjortsø, Alexander, and Hernandez Chea, 2017). Except for the UniBRAIN study, other studies include a few examples from the region (TechnoServe [Mozambique], Timbali [South Africa] and UIRI and One Acre Fund [Uganda]).
- The above studies include the need to pursue a more in-depth and broader assessment of agribusiness incubators. The UniBRAIN study, in particular, highlights the importance of understanding the implications of the various incubation models, such as incubation versus acceleration, vocational training versus entrepreneurship and incubation versus cluster or value chain development approaches.
- Policymakers, funders and other development partners should also play a key role in strengthening the documentation of incubation models. There should be more rigorous reporting requirements of initiatives that are publicly funded, as well as incentives to encourage documentation and the sharing of business models and results (e.g. access to grants for incubation programmes, technical support and assistance for raising awareness and knowledge).

**Based on an analysis of the 16 ESOs, a majority of the business incubator models in Africa are non-profit, with a few exceptions such as blueMoon and Raizcorp.** Figure 18 shows an attempt to capture initial categorization of incubator and accelerator variation by type.

The majority of incubators analysed were established and operated with funding from development partners, financial institutions and governments (Table 3). Timbali and MASDT (South Africa) are two of the longest running agribusiness incubation programmes in the region, which receive long-term funding from the Government of South Africa's Seda.

Many business incubation programmes are often established on a project-by-project basis by



FIGURE 18: INCUBATORS AND ACCELERATOR VARIATIONS BY TYPE



Source: Authors' own elaboration.

development partners. EAAP was initially funded by a USD 4.6 million grant from the Bill & Melinda Gates Foundation, GIZ and Norwegian Agency for Development Cooperation. CURAD, although now largely self-sustainable, was established with project

funding from DANIDA. Similarly, 2SCALE, which refers to itself as the “largest incubator for inclusive agribusiness in Africa”, is funded largely by the Ministry of Foreign Affairs of the Kingdom of the Netherlands (nearly USD 100 million each for Phase

**TABLE 3: SOURCE OF FUNDING TO ESTABLISH INCUBATORS AND INCUBATION PROGRAMMES**
**GOVERNMENT FUNDING**

- **Timbali Technology Incubator and Mobile Agri Skills Development and Training (MASDT):** incubation programmes funded from the Government of South Africa's programme, Small Enterprise Development Agency (Seda).

**FUNDED PRIVATELY**

- **Raizcorp:** funded from personal funds by founder.
- **Wennovation Hub:** established as a partnership between LoftyInc Allied Partners Ltd., and the Africa Leadership Forum. The former provides the operating budget and staff, while the latter provides space and facilities.
- **Athar:** private funding.
- **Tony Elumelu Foundation (TEF):** founder Tony Elumelu committed USD 100 million.

**FUNDED BY DEVELOPMENT PARTNERS**

- **Ethiopian Agribusiness Acceleration Platform (EAAP):** USD 4.5 million granted by the Bill & Melinda Gates Foundation; GIZ, the German Aid Agency; and Norwegian Agency for Development Cooperation.
- **Consortium for Enhancing University Responsiveness to Agribusiness Development (CURAD):** USD 2 million granted from DANIDA's UniBRAIN initiative.
- **2SCALE:** nearly USD 100 million granted in two phases by the Government of the Kingdom of the Netherlands.
- **ENABLE Youth:** funded largely by the African Development Bank (AfDB), with counterpart funding from member governments:
  - Kenya: USD 30 million dollars (AfDB), with counterpart funding of USD 6.3 million.<sup>a</sup>
  - Republic of the Sudan: USD 28.9 million (AfDB), in addition to USD 3.2 million from the Government of Sudan<sup>b</sup>
  - State of Eritrea: USD 18.1 million from the African Development Bank,<sup>c</sup> in addition to USD 1.74 million from the Government of Eritrea.
- **blueMoon:** initial funding from the Mastercard Foundation.
- **International Institute of Tropical Agriculture's Youth Agripreneurs:** funded by the African Development Bank and International Fund for Agriculture Development (IFAD).
- **RUFORUM's Entrepreneurial Challenge Programme:** funded by the Mastercard Foundation.

Notes: <sup>a</sup>Government of Kenya. 2019. *Kenya youth development policy 2019: Empowered youth for sustainable development*. Draft 3. Nairobi, Ministry of Public Services, Youth and Gender State Department for Youth. [prb.org/wp-content/uploads/2020/06/Kenya-Youth-Development-Policy-2019.pdf](http://prb.org/wp-content/uploads/2020/06/Kenya-Youth-Development-Policy-2019.pdf) <sup>b</sup>AfDB. 2021. *Sudan – ENABLE Youth Programme – Project II – Project Appraisal Report*, Abidjan, African Development Bank, [www.afdb.org/en/documents/sudan-enable-youth-program-project-ii-project-appraisal-report](http://www.afdb.org/en/documents/sudan-enable-youth-program-project-ii-project-appraisal-report); <sup>c</sup>AfDB. 2021. *Eritrea – ENABLE Youth Programme – Project Appraisal Report*, Abidjan, African Development Bank, [www.afdb.org/en/documents/eritrea-enable-youth-project-appraisal-report](http://www.afdb.org/en/documents/eritrea-enable-youth-project-appraisal-report);

Source: Authors' own elaboration.

1 and Phase 2). AfDB also is a major regional player in providing funding for agricultural entrepreneurial programmes, such as ENABLEYouth (Table 4).

Only a few incubators, such as Raizcorp and Wennovation were established without donor funding. Nonetheless, even for the for-profit incubators and accelerators, donors and development partners represent an important source of supplementary funds or revenue. Raizcorp, for example, provides consulting services to a number of partners, including governments, the corporate sector and development partners.

### 5.2.1 Reflections

**The impact of business incubators or accelerators is stronger and more sustainable when there is a consistency between programmes and overall economic strategy of the countries.** In the absence of coordinated strategies and clear objectives (Box 1), the potential of business incubators will remain largely unrealized.

**Establishing an agribusiness incubator is an expensive endeavour, considering the need for production and processing facilities and infrastructure, farm-level business models and for developing value-added products (Table 4).** Incubator establishment should precede feasibility studies and business plans that clearly articulate a long-term strategy, while considering the financial, technical and operational support required for the incubator to reach maturity. This is particularly important given that full financial sustainability is most likely beyond the reach of most incubators or accelerators in the short term. Experience from UniBRAIN-supported incubators confirms that the rate of success for full sustainability by a commercial incubator in less than 5–10 years is negligible (Hjortsø, Alexander and Hernandez Chea, 2017).

**Few countries in Africa have policies, strategies or dedicated incubation support programmes.** The aim of Incubation Policies and Support Programmes is to provide targeted support and take the incubator from initial establishment

**BOX 1: GABON: INCREASING ECONOMIC DIVERSIFICATION AND EQUALIZING OPPORTUNITY TO ACCELERATE POVERTY REDUCTION**

“The strategy of the Government relied on multiplication of dedicated funds and incubators with no coordinating strategies and limited results. To address the existing bottlenecks to private sector development, many incubators have been created recently, aiming at providing potential entrepreneurs with the skills and assets necessary to develop their activities. However, the multiplication of these incubators and funds to support small income-generating activities – most of them are supported by government agencies and therefore funded by the country’s budget –without coordinating strategies, creates an additional budgetary pressure. A large overhaul of these funds combined with a clear financing strategy of SMEs are needed in order to improve the impact of these financing instruments and to ensure that the allocated money yields real results on the development of a domestic SME ecosystem.”

Source: World Bank. 2020. *Gabon: Increasing Economic Diversification and Equalizing Opportunity to Accelerate Poverty Reduction*, available at <https://openknowledge.worldbank.org/handle/10986/34108>

**TABLE 4: COST STRUCTURE OF CURAD AGRIBUSINESS INCUBATOR**

COST STRUCTURE	USD
Capital expenditure	498 500
<b>Operational expenditure</b>	
Activities based on coffee value chain	283 000
Activities based on agribusiness incubation	178 000
Development and capacity development of CURAD students	332 000
Human resources	403 200
Common operational expenses, including communication and utilities	154 000
Travel and entertainment	152 000
<b>Total</b>	<b>2 000 700</b>

Source: Chjortso, C. N., Alexander, I. K., & Hernandez Chea, R. R. 2017. *Experiences and Lessons Learned from the UniBRAIN Agribusiness Incubation Programme*. Department of Food and Resource Economics (IFRO) Report, Nr. 266. University of Copenhagen, also available at <https://ifro.ku.dk/english/research/projects/past/unibrain>

to maturity in the least possible time (Figure 19). South Africa is an exception, offering several state-run initiatives that assist the expansion of incubation programmes. The Incubation Support Programme, an initiative of South Africa’s Department of Trade and Industry and Competition, co-funds new incubators in partnership with the private sector, as well as helps to expand existing incubators. Support is provided for three years, and co-funding of ZAR 10 million (USD 661 854) per financial year is provided.






**Given the cost and time taken to establish an agribusiness incubator, government and donor funding will continue to remain essential for the foreseeable future.** Even in developed countries, most incubators are established and supported with public funding. A European

Commission study (2002) on the benchmarking of business incubators found that 76.9 percent of incubators were designed as not-for-profit entities, with 68 percent of set-up costs funded by subsidies and 37 percent of operational costs covered by public funding.

**Governments and development partner support to incubators should be long-term, with resource commitments over a minimum period of at least five years and with clear exit and sustainability strategies for medium- to long-term funding.**

Governments and development partners should also support strengthening the capacity of existing incubators, rather than establishing completely new incubators. While fully fledged agribusiness incubators remain relatively scarce in Africa, there are many

**FIGURE 19: MATURITY LEVEL USED IN THE CAPABILITY ASSESSMENT MODEL FOR INCUBATORS IN THAILAND**

LEVEL	DESCRIPTION
<p><b>Initial</b></p> 	<p>An incubator is established with minimum infrastructure to operate. Staff are assigned to cover basic day-to-day operations only. The organization still lacks organization structure, clear work procedures, etc. The organization requires 100 percent financial support from the government to operate.</p>
<p><b>Defined</b></p> 	<p>An incubator has defined the work procedure aligned to strategic goals and targets. However, the strategic implementation plan is still not effectively in place. The achievements are measured based on outputs not outcomes. Currently, an incubator has sufficient infrastructure but faces challenges in coping with the increasing demand requested by incubatees.</p>
<p><b>Established</b></p> 	<p>An incubator has a well-established organizational structure and is perceived as a stable organization. The strategic implementation plan is in place with clear key performance indicators. Key risks are identified. An incubator is capable of providing a wide range of services throughout the value chain and stages of incubatees. An incubator begins to focus on the outcomes on economic value. An incubator is able to generate income from services accounting for around 20 percent of the annual expenses.</p>
<p><b>Systemized</b></p> 	<p>An incubator as a well-established organizational structure following international standards, such as having an advisory board, applying a systematic approach to risk management, etc. An incubator is actively linked to other incubators, domestically and internationally. An incubator is also capable of strategically adapting to changing environments. The issues related to sustainable development of an incubator are always brought up for discussion. An incubator is able to generate income from services accounting for around 21–50 percent of its annual expenses.</p>
<p><b>Mature</b></p> 	<p>An incubator has been perceived as a sustainable organization with many achievements contributing to economic value creation. An incubator is able to effectively adapt its strategies to cope with changing environments. An incubator is able to generate income from services of more than 50 per cent of its annual expenses. An incubator takes an active role in many incubator networks and has been internationally recognized for one of the best-practice incubators.</p>

Source: Gerd Sri, N.; Iewwongcharoen, B.; Rajchamaha, K.; Manotungvorapun, N.; Pongthanasawan, J.; Witthayaweerasak, W. *Capability Assessment toward Sustainable Development of Business Incubators: Framework and Experience Sharing*. Sustainability 2021, 13, 4617. <https://doi.org/10.3390/su13094617>

different types of ESOs that offer some services as those by an incubator. Many countries in the region have agribusiness and agricultural training and technology demonstration centres, farmer field schools and hubs that can be either scaled up or contracted out, providing services of incubation centres and programmes. Similarly, there are a number of food processing pilot facilities and food research institutes in the region, such as those identified in section 4.1.5 of this report (UIRI,

Food Tech Hub, KIRDI and AIC), that can support value addition and product development. Thus, a good understanding of the national agribusiness incubation ecosystem is crucial prior to establishing new incubators.

## 5.3 How business incubators generate revenue

### Key messages:

- There is a clear distinction between profit-oriented and not-for-profit-oriented incubators and accelerators in terms of revenue stream. Most not-for-profit incubators rely on government and partner funding. Equity investments appear to be a common source of revenue generation for the private, for-profit incubators.
- Given the time it takes for an incubator to reach maturity, incubators need to consider realistic expectations on its revenue-generating models. Irrespective of profit or not-for-profit orientation, for long-term sustainability, incubators need diverse sources of revenue instead of having to rely on a single revenue stream.
- Governments and development partners should use the agribusiness incubators as a service provider to not only implement entrepreneurship development programmes and training, but also for building the capacity of SMAEs, thus contributing to a viable source of revenue for incubators. Long-term sustainability of agribusiness incubators, particularly those that are project-based, is of particular interest and requires further research.

**Not-for-profit incubation programmes, such as MASDT and Timbali, rely heavily on grant funding.** Even for an incubator such as Timbali, which has a strong commercial approach, 60 percent of its funding derives from grants from government and donor contracts. The sale of its incubatee products accounts for 33 percent, while the rent and levies on incubatees contribute 2 percent of its revenue base.

**Member fees play an important source of revenue in the case of Wennovation Hub, which sourced about 45 percent of its revenue from member fees in 2020.** Membership fees of Wennovation Hub provide clients with access to the co-worker facilities and infrastructure of hubs. For example, a workspace in the Abuja Hub costs USD 50 a month for a single person, or USD 150 a month for a team of four. During peak times Abuja may have 20–25 people; Lagos, 18–20; and Ibadan, 40. The Addis Garage incubator of blueMoon offers a curated co-worker community, the first of its kind in Ethiopia. Its other offers are co-worker space on a flexible basis (daily, weekly or monthly); board room space for rent for a half-day or full-day; events hosted

for up to between 35 and 150 people; event catering for up to a full-day for 150 people at ETB 35 000 (USD 732); a fixed desk for ETB 3 000 (USD 62) per month; and office space for ETB 10 000 (USD 209) per month.

**Revenue from equity investments in start-ups appears to be more common in private, for-profit incubators and in the agritech or service sectors,** but less so in the agriculture sector. Wennovation Hub uses a hybrid model, whereby they use a non-profit model to train social entrepreneurs, and a for-profit model to support seed businesses with high potential - with an equity of 10 percent in these businesses.

### 5.3.1 Reflections

**The table above confirms a previous finding already reported in the experience from UniBRAIN incubators, which highlights the difficulty in generating revenue from incubation services to individual entrepreneurs and start-ups.** As Table 5 demonstrates, revenue generated from levies and fees to members comprise a relatively small percentage of revenue. The exception is when an incubator provides corporate solutions and services to businesses, which can be a significant source of revenue, as in the case of Raizcorp. Raizcorp partners with and provides services to over 100 blue chip companies, assisting them with various solutions relating to entrepreneurship and entrepreneurial culture.

**Alternatively, delivering and implementing incubation and entrepreneurship initiatives through externally funded development projects seems to a more viable income strategy for incubators, such as those adopted by MASDT and Timbali.** Incubators can thus position themselves as a service provider to governments and development partners to design, implement and deliver incubation and training projects. Development partners get to leverage existing capacities and facilities, instead of establishing completely new structures and mechanisms for service delivery, while the incubators gain new incubation knowledge, practice and revenue sources - a win-win for incubators and partners alike. There are already many examples of this taking place: blueMoon's Social Enterprise Challenge, Wennovation Hub, Afrilabs' Ideas to Business, Timbali's Jobs Fund programme, IITA as a service provider for the ENABLE Youth (Cameroon) and the Youth Agribusiness Hubs supported by IFAD. Another viable revenue source for agribusiness incubators is renting out technical facilities and equipment to incubatees, as in the case of CURAD, which generates 75 percent of its revenue from incubatee businesses and support services (e.g. processing plant). Even in ESOs that are non-

agriculture specific, such as Wennovation Hub, the renting of co-worker space appears to be a significant source of revenue. Finally, the long-term sustainability of agribusiness incubators, particularly of those that are project-based, is of particular interest and requires further research. EAAP is at a critical stage since it seeks

to transition to a different operational structure since the project funds (USD 4.6 million) ended in 2020. The project has made, and continues to make, a significant contribution to Ethiopia’s honey and beeswax sector, although its continuity and sustainability remain at stake. The same is true for 2Scale (2012–2024), a

**TABLE 5: SOURCES OF REVENUE**

**SOURCES OF REVENUE OR OPERATING FUNDS**

**blueMoon (Ethiopia)**

- returns from equity (10 percent equity);
- rent of facilities or co-worker space: Addis Garage;
- ree-based services to start-ups; and
- partner-sponsored programmes (e.g. Africa Enterprise Challenge Fund by Government of Australia).

**Raizcorp (South Africa)**

- returns from equity (40 percent of revenue);
- services to corporate firms (40 percent of revenue);
- rental (5 percent); and
- project work (5 percent).

**Wennovation Hub (Nigeria)**

- fees for use of facilities. Co-worker space contributed 45 percent of revenue in 2020;
- returns from equity (invests 10 percent in high-growth businesses); and
- partner sponsored programmes (e.g. Afrilab’s Ideas to Business).

**Timbali Technology Incubator (South Africa)**

- sixty percent of Timbali’s revenue comes from government contracts and donors;
- sale of incubatee products (flowers and vegetable): 33 percent;
- rent and levies from incubatees: 2 percent; and
- grant funding in 2018 was ZAR 63 million (USD 4 272 185).

**Mobile Agri Skills Development and Training (MASDT) (South Africa)**

- the majority of funding or revenue derives from grants and diverse partner programmes, including Small Enterprise Development Agency (Seda), Eksom Foundation, AgriSA (which hosts MASDT’s office in Pretoria), and Standard Bank, among others; and
- Funding from Seda 2019: ZAR 2.7 million (on average, USD 170 000) and British American Tobacco – BAT – ZAR 14.3 Million (USD 900 693).

**Consortium for Enhancing University Responsiveness to Agribusiness Development (CURAD)**

- seventy-five percent of income derives from businesses and support services;
- fee-based services and training to supported companies; and
- consultancy projects.

**African Agribusiness Incubators Network (AAIN)**

- accreditation and due diligence fees;
- corporate and membership fees and Training fees; and
- grants from development partners.

Source: Chase and Web. 2018. *Business Incubator and Accelerator Sustainability* <https://businessincubation.com.au/wp-content/uploads/Business-Incubator-Accelerator-Sustainability-BIIA-31518-1-3.pdf>; Techpoint Africa. 2020 *Coronavirus puts the concept of coworking to test in Nigeria* available at [techpoint.africa](http://techpoint.africa); Didoni A., & Varcondo Ltd. 2020. *Effectiveness of agri-business incubation in Emerging market*. UK, Foreign Commonwealth and Development Office., available at [www.casaprogramme.com/wp-content/uploads/Effectiveness-of-agribusiness-incubation-in-emerging-markets-Executive-Summary.pdf](http://www.casaprogramme.com/wp-content/uploads/Effectiveness-of-agribusiness-incubation-in-emerging-markets-Executive-Summary.pdf); Timbali 2017/18 Annual Report for Timbali Technology Incubator available at [timbali.co.za](http://timbali.co.za); MASDT (Mobile Agri Skills Development and Training). 2019. *Annual Report 2018/19*. Mpumalanga, South Africa available at [www.masdt.co.za/index.php/marketing/annual-reviews](http://www.masdt.co.za/index.php/marketing/annual-reviews); CURAD (Consortium for Enhancing University Responsiveness to Agribusiness Development). 2019. *Annual Report 2019*.

project that has invested significant grant funding from the Government of the Kingdom of the Netherlands (Phase 2: USD 50 million). It reports impressive results in supporting farmers and facilitating inclusive partnerships. Establishing follow-up mechanisms will be crucial, even if the partnerships themselves are assumed to be self-sustaining beyond the project.

## 5.4 Management and governance

### Key messages:

- The concept, theory and practice of agribusiness incubation remains nascent in Africa. It is therefore important to plan and consider the time it takes (possibly two years) to set up adequate management, governance and staffing of incubators.
- Despite the diversity of governance and management structures, most of the successful incubators (profit and non-profit) have one thing in common: they were founded by highly successful entrepreneurs with direct experience, either in managing a business or from having participated in an incubation programme.
- The time taken to establish an incubator during its formative stage can be shortened with clear policy guidelines and incubation management training for key personnel. Exposure visits to other incubators in Africa as well as from other regions can also contribute to the incubators learning from good practices and gaining knowledge from the pitfalls of others.
- Most of the existing incubation management training modules date back to 2012, when agribusiness incubation was just starting to pick up in Africa. Since then, the agribusiness incubation landscape, business models and entrepreneurship ecosystem in Africa have significantly evolved. Therefore, there is a demand to develop new and more interactive agribusiness incubation manuals and training courses that integrate more recent experiences from the region.

**Management and governance structures differ significantly across the various incubators and incubation programmes, depending on their goals and business models.** Nonetheless, most incubators have an organizational structure consisting of a board of directors, chief executive office for incubator management and staff. Incubators focus on agribusinesses and the agriculture sector seem to

have more complex governance structures and service delivery modalities, considering the multitude of actors and the need to have a value-chain approach to their business models. In these cases, and in addition to the board of directors, they either have technical committees or advisory positions.

### blueMoon:

The team is comprised of its founder and Chief Executive Officer, Eleni Gabre-Madhin, as well as a chief rainmaker, an incubator coordinator, a corporate strategic lead, a finance manager and a curator. Gabre-Madhin is an entrepreneur herself and has designed and operated the highly acclaimed Ethiopia Commodity Exchange (ECX), trading USD 1.2 billion annually over the three years of its operation. Similarly, Chief Rainmaker Shem Asefaw brings to blueMoon 25 years of experience in the business sector and is an angel investor at ShemTECHVentures.

### Raizcorp:

Raizcorp was founded by Allon Raiz, who has more than 30 years of business experience, including having supported over 40 businesses directly and hundreds of others indirectly through Raizcorp. Raizcorp has over 174 full-time staff, involved in the recruitment, training and provision of support to entrepreneurs.

Raizcorp operates 13 business incubators in five African countries and has a head office providing support to all incubator operations in terms of content, delivery and quality control of programmes. Raizcorp is organized into six divisions – Arize, Seed, Partner Elite, Camden Schools, Elixir and Inspire (Figure 20). The Seed Division operates mainly in the developing markets in Africa, and supports governments, DFI's and multinationals to set-up and operate incubator infrastructure, entrepreneurial development projects and advisory services.

Careful staff selection is key to Raizcorp success – with all team members recruited required to have business experience. Most of the coaching positions (strategy, finance, personal development), for instance, are required to have a minimum of 7–10 years of business experience, with a blend of corporate and own-business experience. A key team is made up of “guides” who are full time employees and are required to go through a four-year programme, after which their employment will be continued, but only if they have successfully completed the programme. Guides complete their first year Certified Entrepreneurial Guide course, a second year Professional Entrepreneurial Guide course and a two-year master's degree course (years three and four). This process has been accredited by the Government of the United Kingdom of Great Britain and Northern Ireland.

**FIGURE 20: RAIZCORP DIVISIONS**

**RAIZCORP DIVISIONS**

**ARIZE**

This division is dedicated to supporting South African corporates in executing the four elements of the B-BBEE scorecard; socio-economic development; skills development; enterprise development and supplier development. This division also works with mines in supporting them with their SLP requirements.

**SEED**

This division, operating mainly in developing markets across Africa and South America, is dedicated to supporting governments, DFI's and multinationals with their entrepreneurial development strategies. We assist with setting up and operating incubator infrastructure, entrepreneurial development projects and advisory services.

**PARTNER ELITE**

Partner Elite provides curated scale-up equity to high growth entrepreneurs in the South African market. In this instance, Raizcorp acts like a partner rather than a venture capitalist, providing extensive support, market access, as well as growth and acquisition funding, if and when required.

**CANDEN**

Canden is Raizcorp's division focusing on operating non-mainstream schools where we embed an entrepreneurial curriculum, over and above the CAPS curriculum, with a view of creating entrepreneurially minded kids that have a higher probability of becoming job creators or incredible problem solvers.

**ELIXIR**

The Elixir division has three main focus areas: assisting corporates to increase the entrepreneurial mind-set within the ranks of their senior and middle management; assisting corporates to access entrepreneurial markets; assisting corporates in the process of retrenchment with helping retenees with entrepreneurial flair to set up businesses.

**INSPIRE**

This division produces inspirational and motivational products for entrepreneurs to use throughout their entrepreneurial journey. Products include items such as books, inspiration packs, posters and the like. Many corporates use these inspirational products as part of their internal and external marketing and branding campaigns.

Source: Raizcorp. 2022. *Raizcorp*. Sandton. Cited 1 December 2022. [www.raizcorp.com/divisions/](http://www.raizcorp.com/divisions/)

**Wenovation Hub:**

The team is comprised of the four co-founders; a programme manager for each of the hubs in Lagos, Ibadan and Abuja; a hub operations manager in the Ibadan Hub; and a national manager. Among the co-founders are also those of Loftyinc Capital Management, who bring personal experience from having founded and co-founded several companies. In August 2021, LoftyInc Capital Management launched its third fund, LoftyInc Afropreneurs Fund 3 – a USD 10 million fund for tech start-ups in Africa. From 2017 to 2020, LoftyInc invested more than USD 1.2 million in six Nigerian start-ups (Kene-Okafor, 2021).

**MASDT:**

The ESO is led by a managing director, who is accountable to MASDT's Board of Directors. The other members of the board include the chairperson and three directors, including a representative from Seda. MASDT has 20 full-time and contractual members of staff, including three managers, one buyer and one IT or logistics planner, as well as dedicated business development officers, mentors and sub-mentors.

**Timbali:**

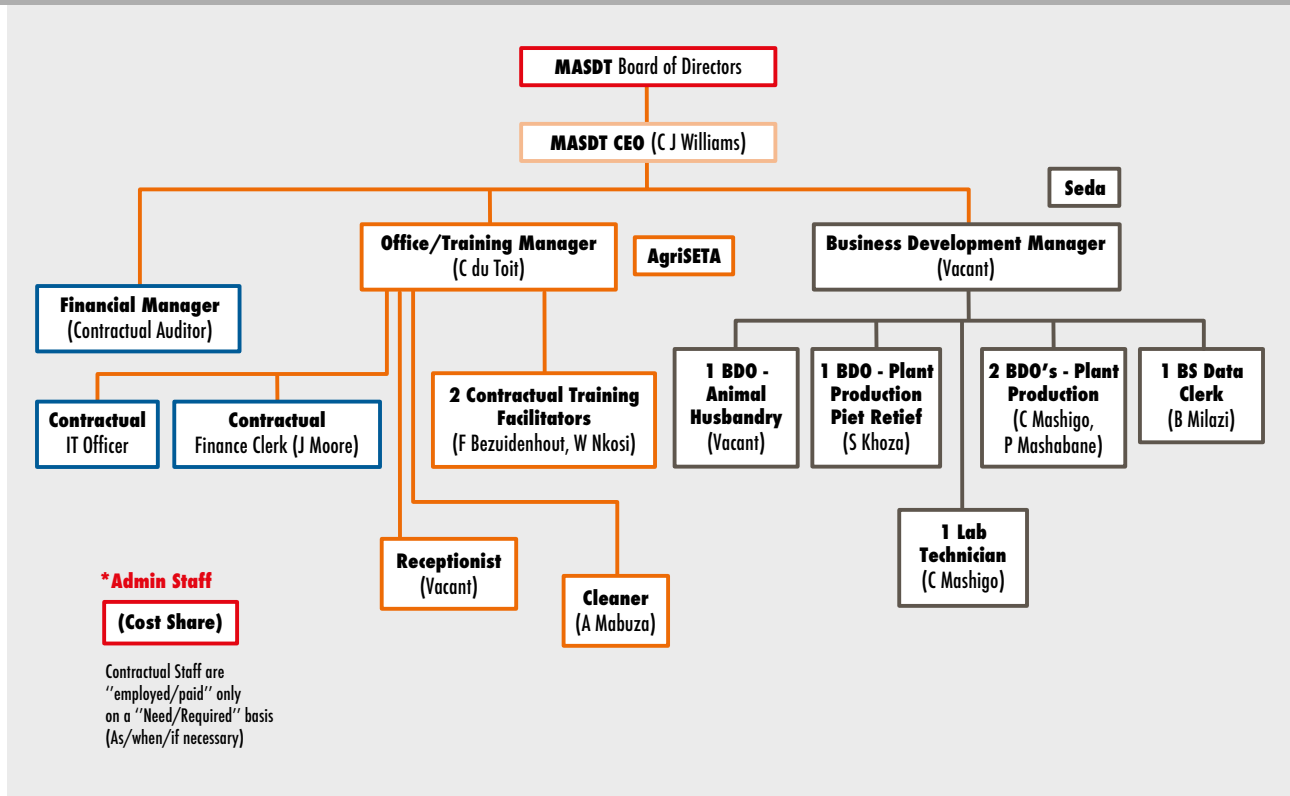
Timbali has a board of directors and four committees (audit, technical, skills development and fund raising) that meet on a quarterly basis. The board of directors also includes the CEO and is comprised largely of representatives from contributing organizations, including MEGA, Department of Agriculture, Forestry and Fisheries, and Seda, among others. Timbali's board reviews skills development, management and financial accounts, and ensures implementation of Timbali's programme. Timbali has 63 staff members, a significant expansion from the nine full-time staff reported in the 2014 case study undertaken by the World Bank (2014). The staff composition brings together a diverse set of profiles and skills, such as cluster coordination, monitoring, costing and coordination office, pack house supervisor, marketing officer, business intelligence coordinator, sales, administration and human resource manager, among others.

**CURAD:**

The entity has a co-ownership governance model

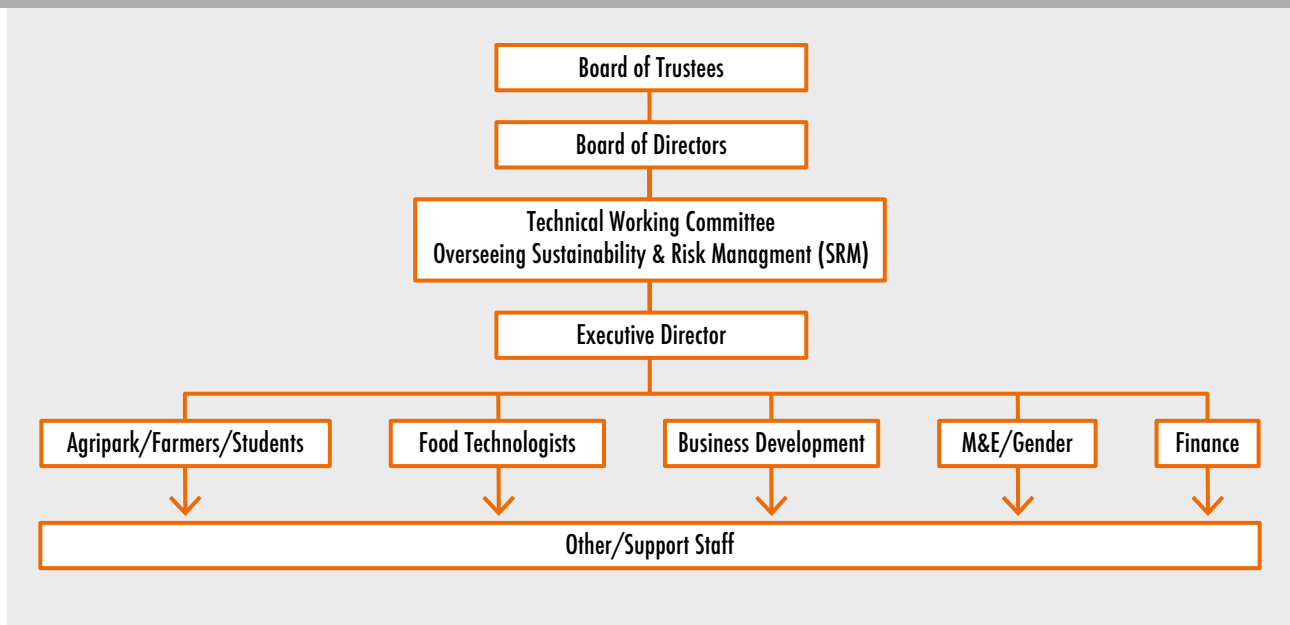


FIGURE 21: ORGANIGRAM OF MASDT, 2020



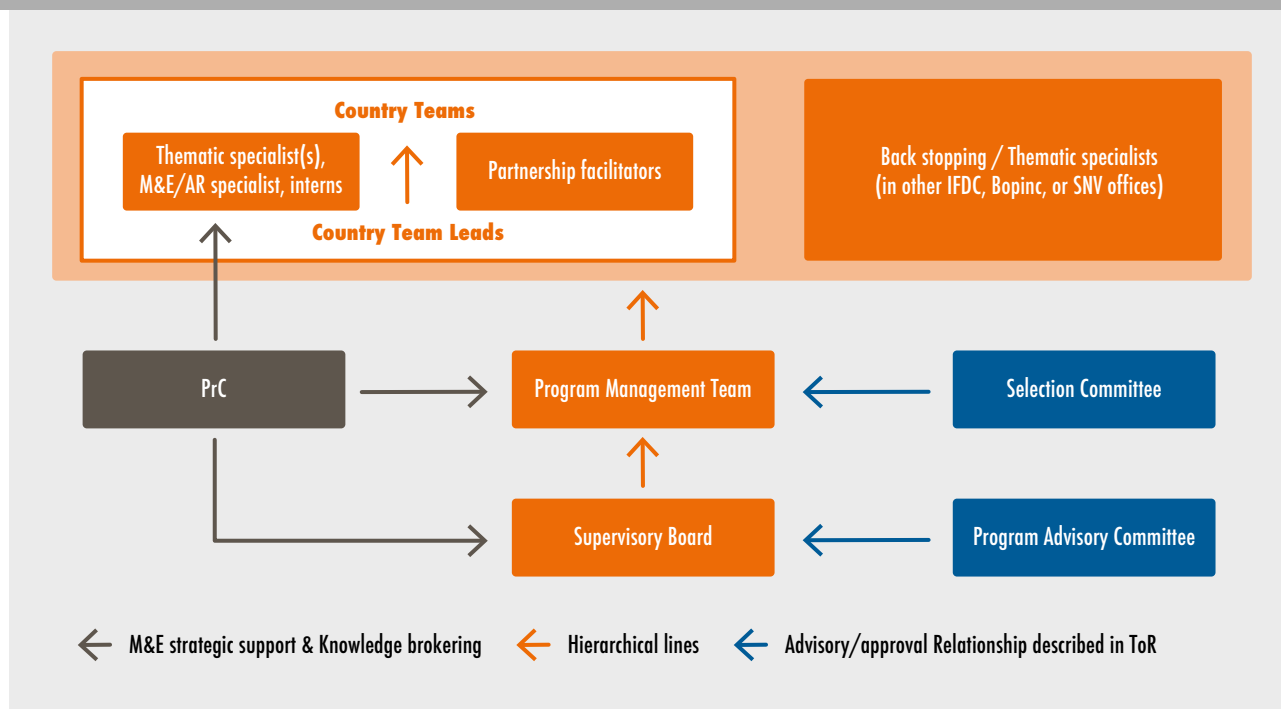
Source: MASDT (Mobile Agricultural Skills Development and Training). 2022. MASDT. Zwartkop. Cited 1 December 2022. [www.masdt.co.za/index.php/the-company/governance/organizational-structure](http://www.masdt.co.za/index.php/the-company/governance/organizational-structure)

FIGURE 22: GOVERNANCE STRUCTURE OF CURAD



Source: CURAD (Consortium for Enhancing University Responsiveness to Agribusiness Development). 2019. Annual report 2019.

**FIGURE 23: GOVERNANCE STRUCTURE OF 2SCALE**



Source: 2SCALE. 2021. *2020 Year-Two Narrative Progress Overview*. Amsterdam, IFDC, BoP, ICRA and KIT, also available at [https://aidstream.org/files/documents/2SCALE-Year-Two-Annual\\_Report\\_2020\\_FINAL\\_NarrativeReport-20210524040518.pdf](https://aidstream.org/files/documents/2SCALE-Year-Two-Annual_Report_2020_FINAL_NarrativeReport-20210524040518.pdf)

with a board of directors of eight, including members from the three consortium partners: National Union of Coffee Agribusinesses and Farm Enterprises (NUCAFE), National Agricultural Research Organization and Makerere University. CURAD’s board is composed of professors, businesspeople and experts in finance, policy analysis and law. Together, they bring a broad knowledge base of the sector. The board, which meets four times a year, provides strategic advice and guidance, and reviews the progress of incubator performance. The board is assisted by a technical committee that meets on a monthly basis and a managing director, all of whom report to the board.

**2SCALE:**

Owing to its scale, multi-partner nature and public-private-partnership (PPP) approach, 2SCALE has one of the most complex governance structures among the 16 ESOs or programmes. There are two main elements to 2SCALE’s governance: (i) **Consortium governance** (International Fertilizer Development Center (IFDC), BOPInc.’s Innovation Center, Netherlands Development Organisation (SNV) and various local coordinators); and (ii) **governance of the PPP arrangements**. Figure 23 shows the current 2Scale Consortium Governance Structure as phase two of the programme, comprising a supervisory board, selection committee, programme advisory

committee, programme management and country team and management.

The Supervisory Board is composed of members from the partner consortium (IFDC, SNV, BOPInc) and is responsible for steering, approving and overseeing the implementation of the programme. A selection committee validates the proposed PPP documents provided by the programme management team and country teams and ensures transparency and accountability of the validation of new partnership screening and selection. The Programme Advisory Committee advises and supports the Supervisory Board in strategic management decisions and ensures that 2SCALE’s approach and interventions correspond to its ambition and values. The programme management team is responsible for day-to-day coordination and is overseen by the programme director, supported by the deputy programme director (also IFDC manager) and two additional managers, one from SNV and one from BOPInc. The programme management team organizes bi-weekly updates. Country teams and the management are comprised of staff from the three consortium organizations and project committee and work from a shared 2SCALE office in each country. The 2SCALE country programme management offices are headed by the 2SCALE country team leads and are hosted by either IFDC or SNV.

In terms of **PPP governance structures**, there are two main types of PPPs that 2SCALE distinguishes: agribusiness cluster (ABC) PPPs and value chain PPPs. Agribusiness cluster PPPs are grassroot partnership, with smallholder farmer groups or cooperatives and other rural enterprises, as well as business support and financial service providers. While there is no fixed model of a PPP arrangement, PPPs often have a structure comprising a field team, management committee and strategic oversight committee. The field team is composed of technical field staff from the lead firm and 2SCALE, who implement field activities, as agreed, in a joint annual value chain development plan. The management committee is composed of medium-level managers of the lead firm and 2SCALE. The management committee prepares the annual (i) value chain development plan; (ii) cost-shared budget; and (iii) evaluation note, which are submitted and approved by the strategic oversight committee. The strategic oversight committee is composed of senior managers of the lead firm and 2SCALE, and most often, an executive of the farmer organizations. The strategic oversight committee meets face-to-face once or twice a year to review the overall progress of the partnership and make strategic decisions for the partnership.

#### 5.4.1 Reflections

**Despite the diversity of governance and management structures, most of the for-profit and professionally managed incubators have one thing in common: they were founded by highly successful entrepreneurs with direct experience, either in operating a business or in the area of incubation programmes (Raizcorp, Wennovation Hub and CURAD).** This is particularly valuable on a continent where the number of professionals with experience in working with or setting up incubators in general - and agribusiness incubators more specifically - falls short. In the UniBRAIN study (Hjortsø, Alexander and Hernandez Chea, 2017), for example, CURAD was noted as the most productive among the six UniBRAIN incubators, and one of the reasons for this is - as quoted - CURAD's Chief Executive Officer is the only head to have previously been an incubatee and who worked in an incubator before joining CURAD.

**The composition of the board of directors, with a diverse spectrum of skills, also appears to have a bearing on the performance of the incubators and incubation programmes.** A study by Colbert *et al.* (2010) notes that board members should be selected for their commitment to the organization's mission and expertise (e.g. specific skills or connections) and in support of the programme's growth and success. In the case of Timbali, its board is comprised of key

**"Many people starting incubators have never built a business before. They approach investors for funding and then try to tell start-ups how to grow, when they are technical a start-up themselves." (Giebelmann, 2018).**

**Marnus Broodryk,  
CEO Beancounter**

partners Seda, MEGA and Department of Agriculture, Fisheries and Forestry. This certainly helps in cultivating a closer working relationship and proximity to the partner's strategic orientation, programming and resources. While it is difficult to conclude the impact of having its key partners on its board, it indicates a bearing on performance and grant funding received. Timbali's annual report (2017/18) also indicates that the grant funding received grew from ZAR 27 million in 2016 to ZAR 63 million in 2018, compared to the grant funding of ZAR 36 million in 2016 to ZAR 41 million in 2018.

**South-South and Triangular Cooperation Exchanges (Box 2) with other countries and institutions, both within and outside Africa can provide valuable knowledge and good practices on establishing and managing of agribusiness incubators.** During the establishment and scale-up phases of UniBRAIN incubators, a large number of capacity development activities were organized, including exchange visits to Timbali in 2011, an incubator management training programme organized by the World Bank in 2013 and one at the Timbali Technology Incubator in 2015, among others. AAIN, for example, has conducted over 50 business incubation management capacity strengthening events for regional agribusiness incubator managers in East Africa, West Africa and Southern Africa between 2016 and 2021. This has built the capacity of over 580 African business and agribusiness incubator managers across the continent.

**It is important to acknowledge that setting up adequate management and governance structures and staffing of incubators often takes time, planning, capacity building and adaptive learning.** There is a dire need to scale up capacity building and training programmes that target agribusiness incubator professionals, including the chief executive officers, staff and mentors. Available agribusiness incubation training manuals and documents were primarily developed by the World Bank in 2012. While these training manuals are useful, most

## BOX 2: SOUTH-SOUTH AND TRIANGULAR COOPERATION EXCHANGE VISITS: PROFESSIONAL DEVELOPMENT TRAINING AND EXPOSURE VISIT PROGRAMME ON PLANNING AND MANAGEMENT OF SUCCESSFUL AGRIBUSINESS INNOVATIONS (2017)

In 2017, the Asian Institute of Technology organized the ten-day, customized Professional Development Training and Exposure Visit Program on Planning and Management of Successful Agribusiness Innovations for 11 senior officials from Nepal's Ministry of Agriculture Development. The officials were all involved in the World Bank's Project for Agriculture Commercialization and Trade.

The programme was conducted in Thailand and Malaysia, with the aim of exposing the project's officials to the opportunity to learn about successful agribusiness incubators and innovations. The programme covered seminars on the challenges and constraints of the agribusiness incubation system process. It highlighted exposure visits to agencies and projects initiated by the public and private sectors on management of agriculture products and markets, agrotourism, rural agricultural development, value-added processes for farmer crops, income generation activities, community agribusiness and agribusiness innovations.

Source: AIR Extension. 2017. *Professional Development Training And Exposure Visit Program On Planning And Management Of Successful Agribusiness Innovations, 28 February -10 March 2017* available at <https://extension.ait.ac.th/news/742>

such documents date back to 2012, when agribusiness incubation was only just starting to pick up in Africa. Since then, Africa's agribusiness incubation landscape, business models and entrepreneurship ecosystem have significantly progressed and evolved. The UniBRAIN study (Hjortsø, Alexander and Hernandez Chea, 2017) recommends having clear policies and guidelines for management teams for critical long-term success, as well as practical incubation programme manuals during the formative stage of the incubator establishment. Moreover, for an agribusiness incubation management to succeed, UniBRAIN survey respondents recommend that:

- staff members and, as a minimum the chief executive officer and technical staff, have incubation management experience;
- staff have knowledge of the value chains targeted;
- staff constitute a cohesive team and adequate training is provided at all levels; and
- sharing of best practices is facilitated among staff members.

## 5.5 Target clients

### Key messages:

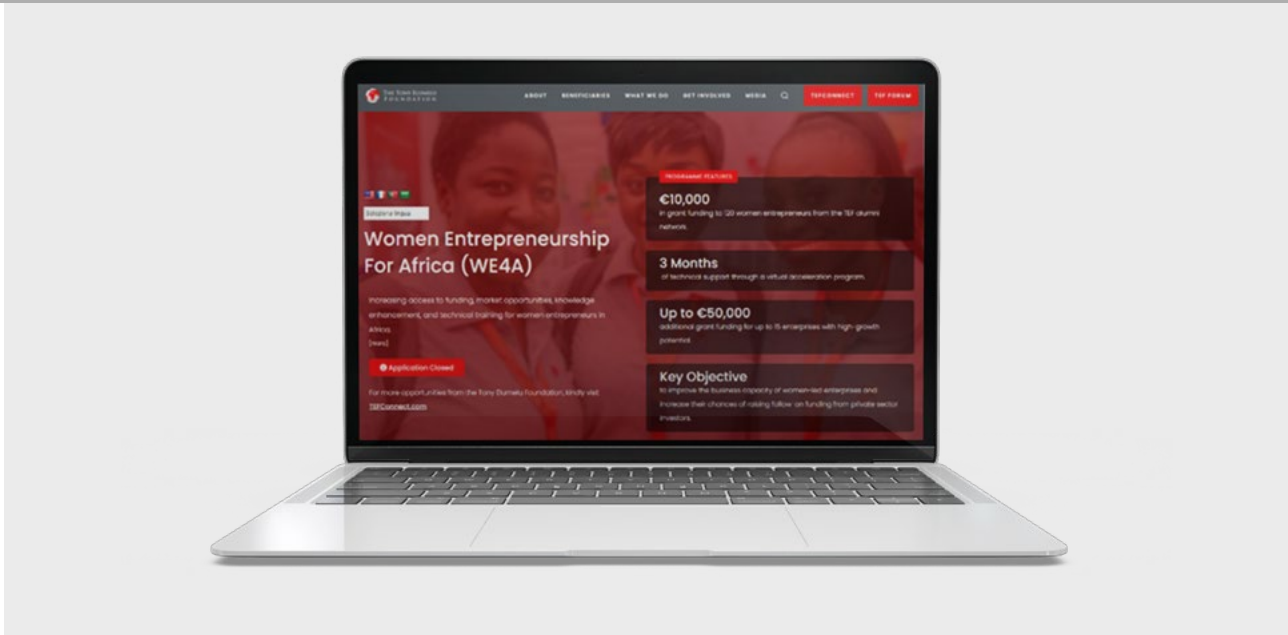
- Of the 430 ESOs, 220 specifically indicate youth as a primary target group in the region. The 16 ESO profiles also showed a strong focus on youth as

their target clients. Targeting female entrepreneurs was less explicit, and few ESOs have programmes purely dedicated to female entrepreneurs. Most however have programme gender targets and regularly report on the number of female beneficiaries.

- In many parts of the world, business incubators often apply the promotion of youth entrepreneurship as one of their key policy tools. An agribusiness incubation and acceleration programme that is well-designed will be a useful instrument to deliver youth agribusiness and agri-enterprise development projects and initiatives.

**Youth are one of the primary target groups of most ESOs in the region, which is not surprising for a continent with 60 percent of its population below the age of 25 years. Out of the 430 ESOs, 220 specifically mention youth as a key target.**

The analysis of the 16 profiles also confirms this and it is obvious from the eligibility and selection criteria. The targeting of female entrepreneurs was less explicit but there were examples of entrepreneurship programmes designed for women. TEF, in collaboration with the European Union, the Organisation of African, Caribbean and Pacific States and the German Federal Ministry of Economic Cooperation manage a Women Entrepreneurship for Africa programme. The programme seeks to provide 120 female entrepreneurs from the TEF alumni network with access to EUR 10 000 in grant funding that will be paired with three months of technical support through a virtual acceleration programme. A second stage of the programme (also for three months) supports capacity

**FIGURE 24: TONY ELUMELU FOUNDATION (TEL): WOMEN ENTREPRENEURSHIP PROGRAMME**


Source: TEL (Tony Elumelu Foundation). TEL, Lagos. Cited on 1 December 2022. [www.tonyelumelufoundation.org](http://www.tonyelumelufoundation.org)

building of women-led enterprises to increase their chance of raising follow-on funding from private sector investors. Additional grant funding of up to EUR 50 000, in conjunction with a growth programme, is provided to 15 enterprises selected by an expert panel as having the most high-growth potential. Wennovation Hub also runs an annual pre-incubation programme, targeting 50 women entrepreneurs. The four-month programme focuses on idea formation, value propositions, accessing finance, marketing and so forth.

**While purely female targeted entrepreneurship programmes are not that common among the 16 ESOs, most of them do have gender targets for scouting entrepreneurs and provide gender-disaggregated data on their beneficiaries.** 2SCALE aims for at least 50 percent of all farmers reached and enterprises involved to be female or led by a female(s). The target for youth participation in the 2SCALE programme, in contrast, is 40 percent. ENABLE Youth Cameroon aims to have at least 40 percent female incubates. In the TEF programme, a total of 35.6 percent of selected candidates in 2019 were female. In CURAD, 31 percent of the SMEs and entrepreneurs supported in 2019 were women. More than half of Raizcorp's entrepreneurs in 2019 were female. In Timbali, 58 percent of its beneficiaries were youth and 71 percent were women.

*"Startup hubs, incubators and accelerators are the nurseries of entrepreneurial ecosystems. Young people gather here to network, access ICT infrastructure, attend trainings, find business partners, receive business development advice, create prototypes, inspire and be inspired." (AU, 2020).*

### Policy Brief on Promoting Youth Entrepreneurship in Africa

#### 5.5.1 Reflections

In many parts of the world, business incubators often use one of the policy tools for promoting youth entrepreneurship (EC, 2012). The AU Policy Brief on Promoting Youth Entrepreneurship in Africa (2020) urges its member states and Regional Economic Communities to develop policies and initiatives that support their efforts to provide a conducive environment for incubation centres and seed capital for budding entrepreneurs. The policy brief also notes that while there is a rapid growth of tech hubs, incubators, maker spaces and accelerators accessible to youth in African urban centres, youth in

smaller cities, towns and rural areas remain largely detached from these spaces that play an important part in accessing support programs and networking.

**While countries did not have specific agribusiness incubation policies and guidance documents, reference to agribusiness incubators were available in national youth policies and strategies (e.g. Nigeria, Uganda and Kenya).** The Nigerian Youth Policy (GovN, 2019) aims at establishing two agribusiness incubation centres per zone as well as a Nigerian Youth Development Fund, with special focus on lending credit and grants to youth entrepreneurs and agripreneurs. Similarly, the National Strategy for Youth Employment in Agriculture of Uganda (GovU, 2017) supports youth agricultural entrepreneurs to access business incubation services. The Kenya Youth Development Policy (GovK, 2019) also has a strong focus on creating a culture of entrepreneurship among the youth with regard to training, mentorship and business incubation.

## 5.6 Scouting and selection

### Key messages:

- Most incubators and accelerators apply a blend of scouting and selection approaches, including regular calls for submission, online applications, business plan competitions and innovation contests, among others. While good selection criteria alone do not ensure a 100 percent success rate, they nevertheless determine the quality of incubatee start-ups for an incubation programme.
- Private incubators (e.g. blueMoon and Raizcorp) that are for-profit, on the one hand, often have a significantly low target acceptance rate (1 percent of applicants) and work with a limited number of entrepreneurs and teams at any given time. On the other hand, non-profit incubators generally take in higher number of incubatees, but capacity constraints often prevent them from supporting larger numbers (e.g. CURAD can support only 50 percent of its applicants).
- Eligibility criteria are less rigid when the goals of the incubation programme are aimed at specific groups or, for instance, a disadvantaged group. In such cases, incubators (e.g. MASDT, Timbali) use comprehensive pre-incubation programmes to strengthen the readiness of incubatees for their programmes.

**Most incubators and accelerators use a mix of scouting and selection approaches, including regular calls for submission, online applications, business plan competitions and innovation contests, among others.** Most of the for-profit incubators (e.g. blueMoon, Raizcorp) have a more stringent recruitment policy, often working with a small number of entrepreneurs at any given time. This low number of participants enables them to focus significant attention on the individuals and teams, as well as provides them wide exposure to stakeholders, such as potential investors, government officials and customers.

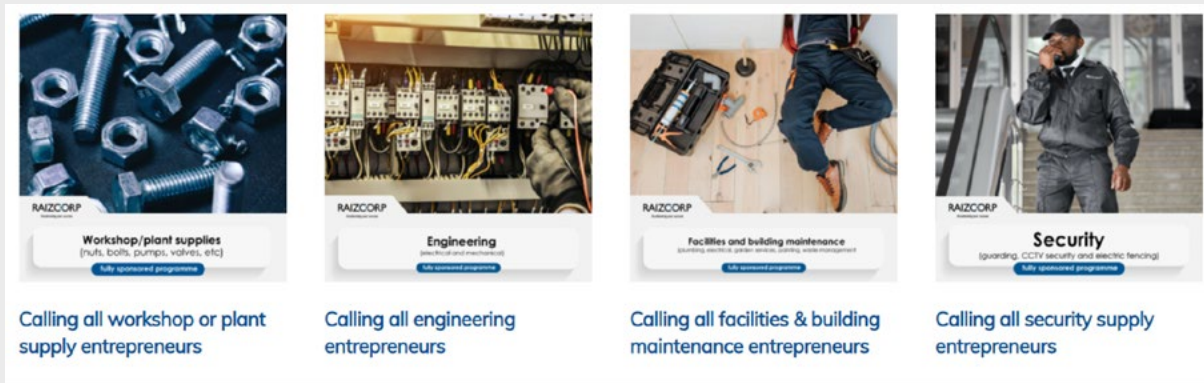
### blueMoon:

blueMoon scouts its entrepreneurs through innovation contests twice a year, often selecting approximately ten start-up teams of two to three entrepreneurs each. The target acceptance rate for blueMoon is below 1 percent. Following the eligibility screening, a second evaluation is carried out on the quality of (i) content; (ii) team; and (iii) founders. Following a series of phone interviews, the final team selection and offer to join the incubation programme is made on what is referred to as an outdoor “game day”. Appointees have one week in which to confirm their participation.

### Raizcorp:

Raizcorp also works with a significantly small percentage of entrepreneurs. It tends to seek businesses with high potential or those who already have a running business. This is achieved through a call for expressions of interest from businesses that have been trading for at least six months, with a minimum monthly turnover of ZAR 10 000 (approximately USD 680), among other criteria. Interested entrepreneurs and start-ups are able to browse through the areas that are sponsored and apply to the one most suited to their needs. By adopting this approach, Raizcorp has been able to target a specific type of incubatee - one with demonstrated revenue-generating capacity. Those who have yet to own a business but are still able to offer a potentially innovative idea are provided an alternative channel for application.

On average, Raizcorp receives approximately 50–100 applications a day and only 1 percent of applicants are selected following a rigorous eight-step selection process. The process includes interviews and assessments and considers personality and resilience. There is no need to demonstrate a business plan, as Raizcorp invests in the individual rather than on a business idea or concern. It is interesting to note that Raizcorp does not require applicants to have a degree or a diploma (only 20 percent of Raizcorp’s intake has a diploma or degree), but rather selects applicant based on the entrepreneurial spirit and capacity.

**FIGURE 25: RAIZCORP-SPONSORED INCUBATION OPPORTUNITIES**

Source: Raizcorp. 2022. *Raizcorp*. Sandton. Cited 1 December 2022. [www.raizcorp.com/sponsored-programmes/i-already-own-a-business](http://www.raizcorp.com/sponsored-programmes/i-already-own-a-business)

### AgriLab (Nigeria):

A partnership between the Government of Ireland (through its embassy in Abuja) and the Venture Platform selects an exceedingly small number of applicants with high potential. The platform seeks young Nigerians aged 18–35 years with calls for applications over a period of one month. In 2019, from 1 000 applications, only 15 were selected for the three-day Ideation Workshop and Bootcamp for Young Start-ups and only seven were eligible for the four-month incubation programme.

### Wennovation Hub:

Applications for review are made online throughout the year, after which applicants are usually contacted within eight weeks. Wennovation Hub also manages various special programmes, such as Ideas to Business, Agri-Tech Incubation and Campus2Market, which have their own specific search criteria. Ideas for Business, for instance, seeks female entrepreneurs by way of an online application invitation. Candidates must be between the ages of 16 and 40 and be at the early stage of the start-up. The Agri-Tech Incubation programme targets start-ups at the MVP stage that have some form of market validation by having worked in the agriculture sector (i.e. production, processing and storage). Applicants selected are offered two weeks of intensive training. Campus2Market seeks young techpreneurs, who are undergraduates in tertiary institutions.

### TEF:

This ESO has a three-month pan-African call for applications every year on its TEFConnect platform

for those of at least 18 years of age with a business or idea that is, at most, five years old and based in Africa. Applicants are required to complete all stages of the training that is offered prior to selection. Before this method of recruitment, the foundation trained and financed on average over 2 000 entrepreneurs a year. In 2021, TEF expanded its reach and opened its training programme to over 200 000 young people. A smaller group of applicants, however, receive the seed funding following the pitching stage.

### 2SCALE:

The ESO has three major channels from which to broker inclusive agribusiness ideas for public–private partners. They do this through i) competitive calls for proposals announced through media and open information meetings organized by 2SCALE; ii) active search for prospective partners through field visits to factories and producer organizations as well as donors and financial institutions and finally through; and iii) where enterprises approach 2SCALE for collaboration. In 2020, a total of 244 ideas were collected through these methods. Of these, 102 were evaluated by 2SCALE’s country teams, and 55 partnership briefs (PBs) were approved by the steering committee.

### Timbali:

The ESO focuses predominantly on broad-based Black Economic Empowerment (BEE) agribusinesses that specialize in the flower and vegetable value chain. Examples of farmer success stories indicate that there appears to be no age limit for applicants, nor is an in-depth knowledge of the agriculture sector required. What is more essential is a demonstration of

dedication and commitment to participate in the entire pre-incubation and incubation programmes that take place over a period of four years.

**EAAP:**

This is a sector-specific incubation programme focusing on the honey and beeswax value chain. It has a much more targeted incubatee selection process whereby an open call for applications is made with following criteria:

- applicants are registered in Ethiopia and have a license for the trade of honey and beeswax;
- applicants are able to demonstrate a high market potential and clear growth plan, led by a manager with a high education degree (diploma or above);
- applicants have 1–8 years expertise in honey processing; and
- applicants have had an annual sale of honey of no more than 50 tonnes or have invested at least ETB 100 000 or equivalent in the honey and beeswax value chain, with definite plans to expand into the processing field.

**CURAD:**

The consortium applies multiple methods in its search for entrepreneurs. Now in its seventh year, the National Annual Agribusiness Innovation Challenge is one of its major activities through which CURAD seeks to recruit and support young people who are harnessing agripreneurial ideas. The contest is sponsored by various public and private enterprises. Approximately 77 percent of incubatees are recruited through this channel, while others are recruited by way of specifically targeted calls for application on Twitter.

Those start-ups that rank the highest as a result of CURAD’S innovation challenge enter the incubation or acceleration programme, in which employees from sponsoring companies provide part of the mentoring and training. In 2019, 133 applications from entrepreneurs were received. Of those, 60 candidates were vetted and shortlisted with ultimately 26 being interviewed by a panel of 17 judges. Three were selected from each of the

12 categories,<sup>5</sup> and were awarded prizes.

A total of 35 agripreneurs emerged as winners, of which 31 percent were female. Winners then were enrolled into the CURAD incubation programme for a period of one year. Throughout this, business support was provided to enable their development toward success and to improve their chance of survival during the early business phase. Overall, CURAD receives over 400 applications a year, which reflects the high demand for agribusiness incubation; nonetheless, it only can support approximately 50 percent due to a lack of space.

**MASDT:**

The selection criteria require incubatees to:

- be 18 years of age and above,
- be from a previously disadvantaged group;
- have a dedicated interest in agriculture and currently be part of the agriculture value chain;
- have an adult and basic education training at level 2;
- preferably be part of the decision-making structure; and
- proof of land access to a minimum of 5 hectares of land for at least a period of three years.

A review of some of the beneficiaries, however, indicates that not all the above criteria are rigorously applied. For example, the study team discovered that various beneficiaries had access to less than 1.4 ha of land (in lieu of the required minimum of 5 ha). Those applicants who meet the minimum criteria go through a comprehensive, pre-incubation assessment and a period of training before being admitted to the three-year incubation programme. The training includes achieving the national certificate or passing the skills programme in either plant or animal production or in new venture creation for agribusiness.

**ENABLE Youth:**

Active in Cameroon, Kenya, Sudan and Uganda, ENABLE Youth has similar criteria for its respective country nationals, between the ages of 18 and 35, who have a minimum three-year diploma or degree. The Kenya and Sudan chapters apply an independent selection firm to recruit incubatees on a competitive basis.

ENABLE Youth Kenya has clear selection criteria, setting out the objectives and principles of recruitment, as well as the eligibility and selection process. The scouting process for ENABLE Youth Kenya is carried out by way

<sup>5</sup>The categories were (i) best climate-smart agribusiness; (ii) best coffee trade idea; (iii) best established agribusiness; (iv) best horticulture farmer group; (v) best innovator aquaculture; (vi) best start-up agribusiness - Central; (vii) best start-up agribusiness - Eastern; (viii) best start-up agribusiness - Northern; (ix) best start-up agribusiness - Western; (x) best start-up using ICT; (xi) best student agribusiness; and (xii) best female agripreneur.



FIGURE 26: ENABLE YOUTH KENYA APPLICATION PORTAL

**YOUTH AGRIBUSINESS OPPORTUNITIES  
CALL FOR APPLICATIONS**

**ENABLE Youth Kenya Program**  
*Vijana twaweza kwa kilimo biashara*

**Two categories of target Incubation process**

**Standard Incubatee (Start-up)**  
Targets unemployed graduates (Diploma or Degree) or start-up agripreneur who has run or been involved in an agribusiness for not less than one and half years with an agribusiness idea that requires incubation to actualize. The expected timeline for the standard Incubatees to go through the incubation process will be between six and twelve months.

**Accelerated Incubatee**  
Targets graduates (Diploma/Degree) youth who own and run an agribusiness that has been in existence for at least more than one and half years but lack access to credit, market linkages or require better business planning skills to accelerate business growth. The expected timeline for the accelerated Incubatees to go through the incubation process will be between three and six months.

**Eligibility Criteria**

The opportunity is open to all Kenyan Youths who meet the eligibility criteria below.

1. Must be a Kenyan Citizen with a National ID, aged between 18-35 Years.
2. A holder of Diploma or Bachelor's Degree from a recognized institution in any field of study.
3. Shall be required to submit a PIN No. from Kenya Revenue Authority, and a certificate from an approved Credit Reference Bureau (CRB).
4. A demonstrable interest in Agriculture/ Agribusiness either through previous clubs & associations, personal initiatives, seminars and training on agri-issues or any other criteria.
5. Currently not in any formal employed or engaged in any own business for **Standard Incubatee (Start-up)** and own and run an agribusiness for **Accelerated Incubatee**, and not registered in any other program (academic, incubation, other development programs etc.)
6. Must be willing to choose agribusiness as a career.
7. Have a viable business idea and submit a preliminary simple business proposal on the standardized template to be downloaded during the application process.
8. Value Chains - The proposal should fit within the priority value chains (see details in the online application system at [enableyouth.kilimo.go.ke](http://enableyouth.kilimo.go.ke) as mapped out by the program and assigned to incubation centres.

Source: University of Eldoret. ENABLE Youth Kenya Programme. Eldoret. Cited 1 December 2022.

[www.uoeld.ac.ke/sites/default/files/News\\_Updates/youth\\_enable/ENABLE%20Youth%20Kenya%20Program%20Advert.pdf](http://www.uoeld.ac.ke/sites/default/files/News_Updates/youth_enable/ENABLE%20Youth%20Kenya%20Program%20Advert.pdf)

of announcements on the websites of the Ministry of Agriculture Livestock, Fisheries and Co-operatives and ENABLE Youth Kenya Program. Applicants can either apply for the start-up (incubation) track or the scale up (acceleration) track. Once a track is chosen, the value chain of interest is then selected.

Shortlisting is done at a central location by an independent firm, while the interviews take place in each of the eight selected incubation centres. Selection criteria also include specific targets for the gender distribution of incubatees. Selected beneficiaries (incubatees) should represent at least one-third of either gender and be comprised of 60 percent of fresh graduates and 40 percent of accelerated agripreneurs. Successful candidates are expected to accept the offer within 14 days of notification, after which the incubatee signs a letter of acceptance.

### 5.6.1 Reflections

Irrespective of selection criteria, all incubators attempt to identify the most promising incubatees vis-à-vis their target clients (e.g. the inclusive value chain approach of 2SCALE or the broad-based, black empowerment focus of MASDT and Timbali). While rigorous due diligence and selection processes alone cannot guarantee a 100 percent success rate, a careful selection of potential incubatees does, however, increase the likelihood that the entrepreneurs and SMEs selected will succeed; that is, they will contribute to the success of the business incubator. Innovation contests and business plan competitions are used to attract an inflow of potential incubatees, who are then subjected to various levels of screening (from judging panels, to pitching, among others). Sector-specific incubation programmes, such as that of EAAP, have specific targets and therefore apply relevant eligibility criteria

to ensure that the application process identifies those incubatees with the highest potential to save time in the process. Applicant criteria are less rigid when the programme's goal is a specific or disadvantaged group. MASDT and Timbali alike have a strong, broad-based, black empowerment focus; both use the pre-incubation phase to identify the skills gap and provide technical and business skills training as a way to establish the readiness level of the incubatee to follow their three-year incubation programme. In the case of Athar, one of the requirements is a founder's team of minimum two members rather than the individual entrepreneur.

## 5.7 Incubation process

### Key messages:

- There is no “one-model-fits-all”. The success of an agribusiness incubator or incubation programme should be judged based on its specific goals. One major factor that distinguishes the agribusiness incubator vis-à-vis other types of incubators is the provision of agriculture sector-specific training and the duration of the programme. Programmes such as those of MASDT, Timbali, 2SCALE, CURAD and EAAP have an incubation cycle of 12–36 months, allowing incubatees to strengthen their business models over a number of production, harvest and marketing cycles. In contrast, most of the non-agriculture sector-focused incubation programmes are between four and six months.
- Most incubators or incubation programmes offer a mix of services, which include business development training, access to financiers and investors, mentorship and coaching, marketing and market access, and networks. Agribusiness incubators should ideally provide incubatees the physical space (e.g. agricultural parks, processing facilities) that will allow them to strengthen their production, innovation and product development and quality assurance capacities to ensure that they “graduate” as a competitive and sustainable agribusiness. Agribusiness incubators also need to ensure a value-chain approach to ensure that incubatees are integrated into the larger agribusiness ecosystem.

The nature and duration of incubation programs varies significantly across the ESOs, depending on their goal, target customer and business model (Figures 27 and 28). Almost all 16 profiled ESOs offer a similar range of incubation and acceleration services, with the primary

distinguishing feature being the duration of support (short term versus long term) and the target clients (early stage versus growing). The service offerings also clearly indicate the incubation and acceleration programmes have a strong agriculture focus versus those that are sector-agnostic. In the case of blueMoon, however, its service offer did not include skills training and capacity building in agriculture, despite being mainly an agribusiness incubator.

### blueMoon:

blueMoon managed a four-month incubation programme with an entire range of business services, skills training, co-worker space and access to finance, among others. The in-house team of coaches supported the entrepreneurs to turn their ideas into viable business plans and assisted them with their company registrations, licensing, branding, investment prospectuses and marketing pitches.

### Wenovation Hub:

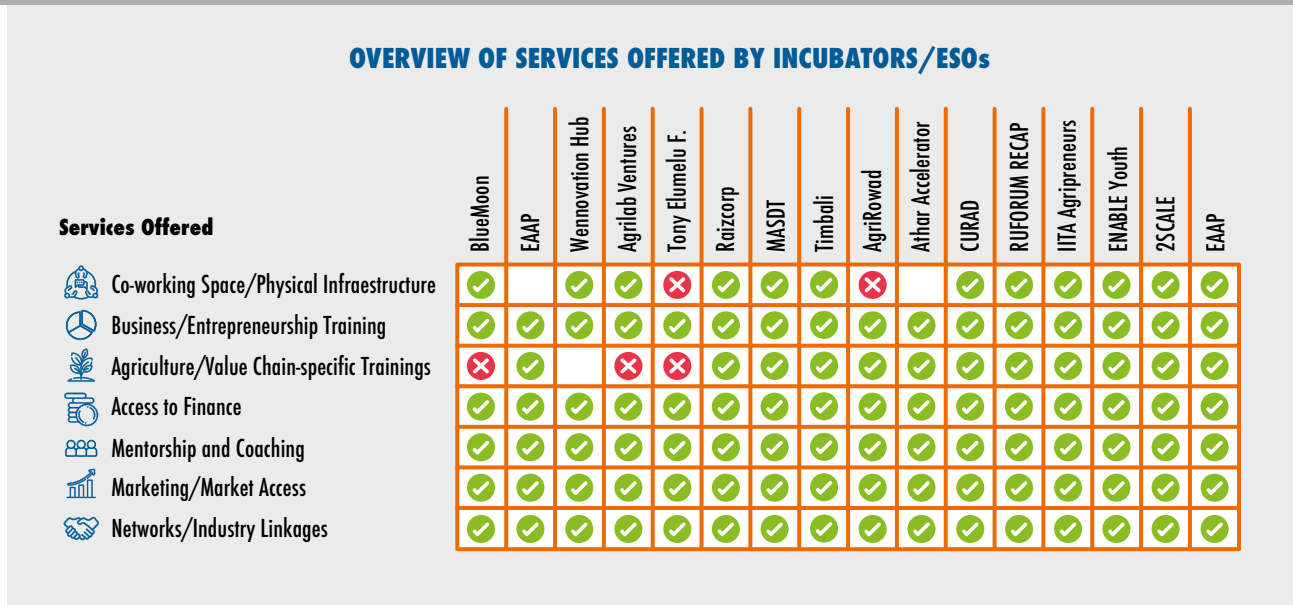
This ESO provides an entire range of services to support start-ups. The length of incubation programmes varies, often ranging between six weeks for the agritech incubation programmes to over four to six months for longer pre-incubation and incubation programmes. Wenovation Hub also operates investment readiness preparatory programs with venture capitalists twice a year, which take entrepreneurs from the level of an idea to the level of funding within approximately six months.

### Raizcorp:

The ESO adopts a pragmatic and sector-agnostic approach to incubation, responding to the needs and context of its clients and the local economic and entrepreneurial market in which it operates. Raizcorp, through its “prosperator” centres, offers a range of services to its entrepreneurs that equip them with the skills and support to develop businesses in their identified market. Delivery channels can include a **‘Prosperator’** incubation centre with a full team under the **Distance - Beacon models** (with limited infrastructure but including access to local training by local team members and online guidance and mentorship), the **Mobile model** (going out by vehicle to the entrepreneurs, which is mainly used in the agriculture sector) or **Digital model** (online training).

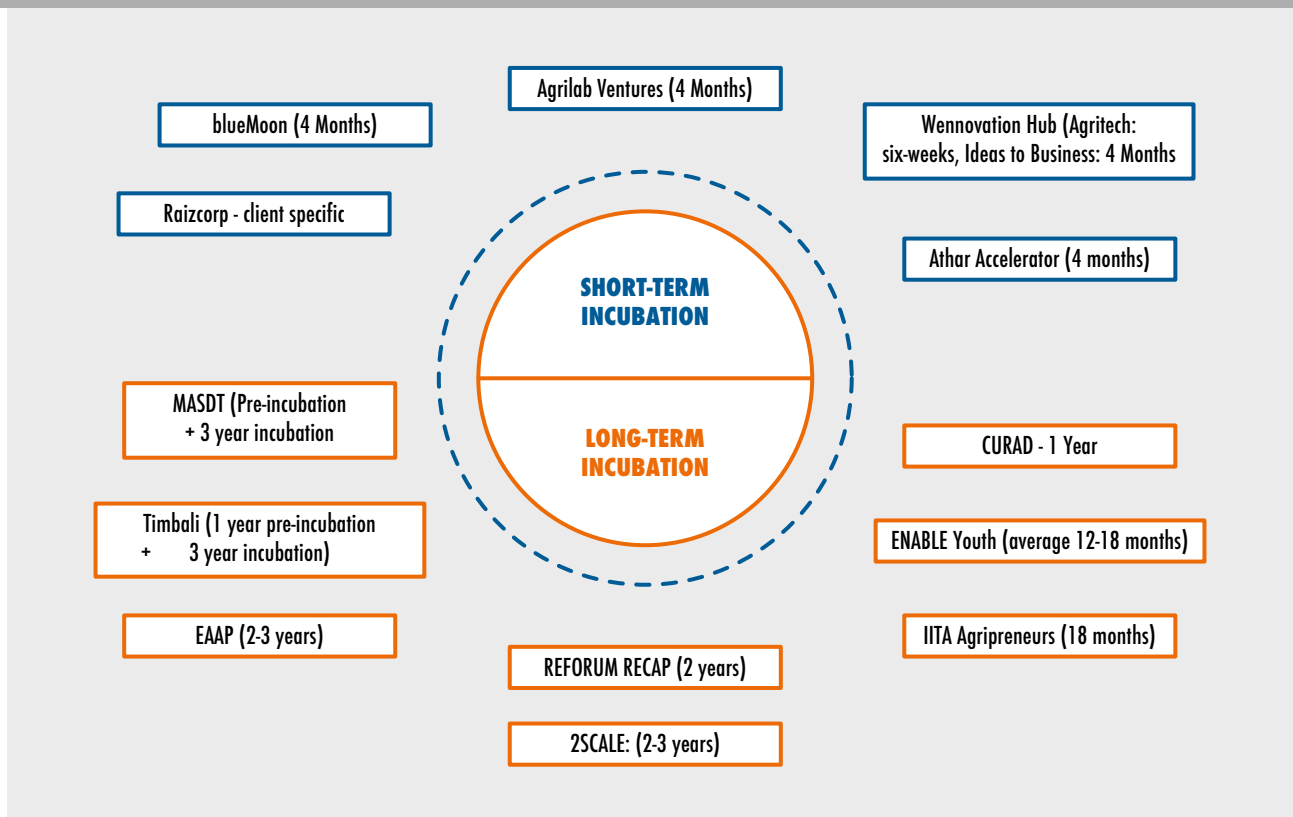
The agriculture and agribusiness sectors are increasingly an important part of its portfolio, especially within South Africa and Zimbabwe. In 2019, Raizcorp was able to support the launch of 80 agribusinesses and the scaling up of a further 80. Raizcorp estimates that the value of agribusiness, launched or supported by entrepreneurs

FIGURE 27: TYPE OF SERVICES OFFERED BY THE ENTREPRENEUR SUPPORT ORGANIZATIONS



Source: FAO.

FIGURE 28: AVERAGE DURATION OF INCUBATION PROGRAMMES



Source: Authors' own elaboration.

“We started in the agri-space seven years ago. We applied all the experience we had gained from other sectors, but it was a big learning curve. One of the key lessons we had to learn was that entrepreneurs producing maize are very different to those producing honey, there are factors of seasonality, different standard requirements, etc. Adapting the incubation process to the planting and harvesting season was a challenge.”

**Allon Raiz,  
CEO Raizcorp**

FAO-AU Webinar on Agribusiness Incubation and Acceleration 2022.

who have gone through its programmes since 2000, is USD 20 000 000. Worth noting is that while Raizcorp offers significant and extensive wrap-around services to its entrepreneurs, it does not offer access to pilot plants or other facilities that are essential to the development of value-added products within the agrifood sector.

**EAAP:**

Launched in 2017, this ESO is the first pilot incubator established by the Ethiopian government’s Agricultural Transformation Agency (ATA). EAAP was established with USD 4.6 million in funding from a number of partners, including the Bill & Melinda

Gates Foundation, GIZ and the Norwegian Agency for Development and Cooperation. EAAP is an end-to-end value chain model, with a clear strategy linked to the potential of the honey sector. Ethiopia was the world’s tenth largest producer of honey in 2017, producing 162 million tonnes in 2018, with 98 percent of production consumed within the country (Bogdanov, S. *et al.*, 2018).

The initial focus for testing the incubator and accelerator model on the honey and beeswax value chain was based on the sector’s strength, strong demand and investment attractiveness, as well as strong government support. EAAP supports enterprises to identify and address company-specific and systemic challenges, and aims at building a high-quality, sustainable supply chain for partners across the value chain, as well as to create a market-driven, business-building model for entrepreneurs. The programme has three main tracks, (i) the incubation track for early stage enterprises; (ii) acceleration track for growth-oriented enterprises; and (iii) ecosystems track for enterprises that provide services to upstream and downstream actors within the value chain.

While there is a strong institutional anchor within the ATA, one of the major concerns is the continuity and sustainability of the model since project funding ended in 2020. Discussions are ongoing for EAAP to transition into either an independent incubator or become a part of the new Integrated Agro-Industrial Park Project in Ethiopia.

**FIGURE 29: EAAP BUSINESS MODEL**

**SECTOR-DEVELOPMENT INCUBATION MODELS (HONEY VC)  
ETHIOPIAN AGRIBUSINESS ACCELERATOR PLATFORM (EAAP)**

Established in 2017

**Incubation Track - Early Stage Enterprises**



Business development Services



Access to loans/grant funding



Support to contract farming design & implementation



One-to-One Mentoring Support

**Acceleration Track - Mature/Export Oriented**



Access to investment and scale-up capital



Designing Growth Strategies



Support to contract farming design & implementation



One-to-One Mentoring and Technical Advisory

**Ecosystems Track - Support services**



Input Suppliers



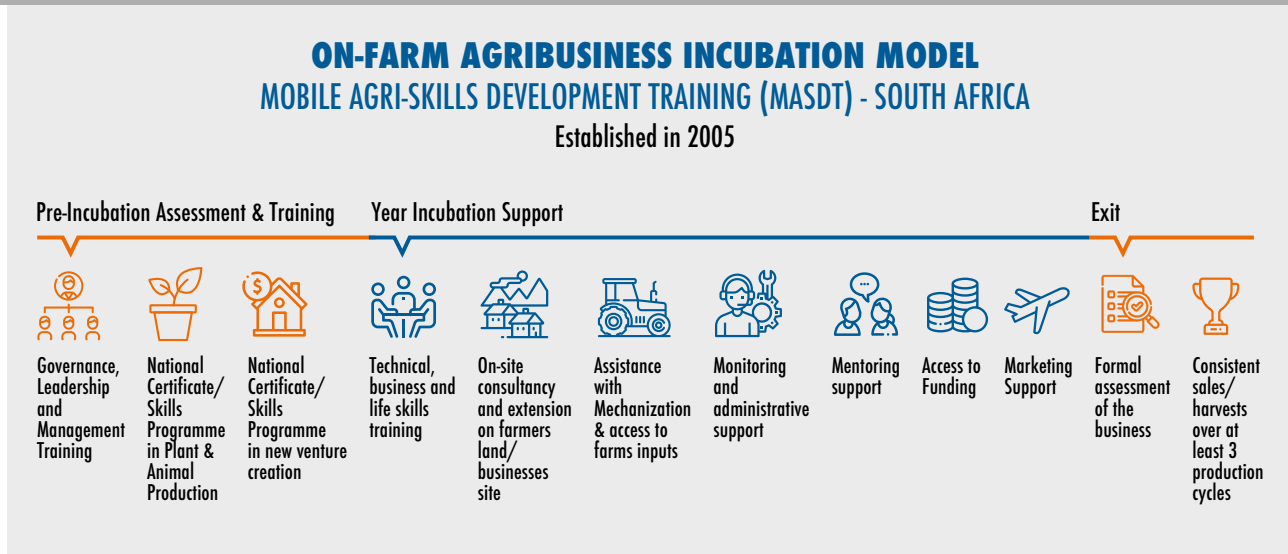
Packaging Companies



Quality testing laboratories

Source: Authors’ own elaboration.

FIGURE 30: MASDT BUSINESS MODEL



Source: Authors' own elaboration.

### MASDT:

Established in 2005, initially as an agricultural training service provider, MASDT currently provides a three-year comprehensive incubation programme. It receives funding from the South African government's Seda programme and has a long and successful track record. MASDT positions itself as a "one-stop" agribusiness incubator and provides a comprehensive incubation process that includes detailed pre-incubation assessments. Following the pre-incubation assessments and training, selected applicants go through national certification or skills training, either in plant and animal production or in new agribusiness venture creation, prior to joining the three-year incubation programme.

One of the ESO's major strengths is that it enables farmers to benefit from complete and integrated support services on their own farms, without having to travel to a city or town or a different location. MASDT offered agriculture and business training to the field through a mobile truck, the Mobile Lab – bringing the training, as well as support services, to the farm gate. A large screen on one side of the truck shares training information with the participants in the open air. The inside of the truck is equipped with other training material and measuring equipment to analyse the soil, irrigation water and consumable water. In this way, MASDT has created space for practical learning on farmers' own land, while they continue their farming activities. MASDT also has an explicit exit strategy for its incubatees (e.g. consistent turnover or harvest for at least three production cycles).

"Timbali demonstrates a unique added value of an industry-specific approach to incubation. Timbali support distinctively provides market intelligence, peer learning, and crop financing that is efficient, on time, responsive and addresses the needs of the agribusiness. This is often a key critique of incubators and SMME financiers". (TAA, 2019).

**Louise de Klerk,  
CEO, Timbali**

Unfortunately, the Mobile Lab has not been in operation since 2017, except for a promotional tour to Zimbabwe in 2019. Firstl, it has proved difficult to get accreditation for the scientific services it provides, since instruments are sensitive to vibration and the movement of the vehicle can lead to a misalignment of instrument calibration. The Mobile Lab can therefore only provide indicative results which, although useful as a general guide, cannot be used by a farmer to demonstrate food safety of produce to a buyer. MASDT recognizes this challenge and is currently working with a university to explore how this can be resolved so as to enable them to provide accredited results to farmers from the Mobile Lab. Secondl, the Mobile Lab is expensive to operate. Not staff time into account, the operating cost is approximately USD 30 000 a year.

**FIGURE 31: THE THREE INCUBATION BUSINESS MODELS USED BY TIMBALI**



Source: Authors' own elaboration.

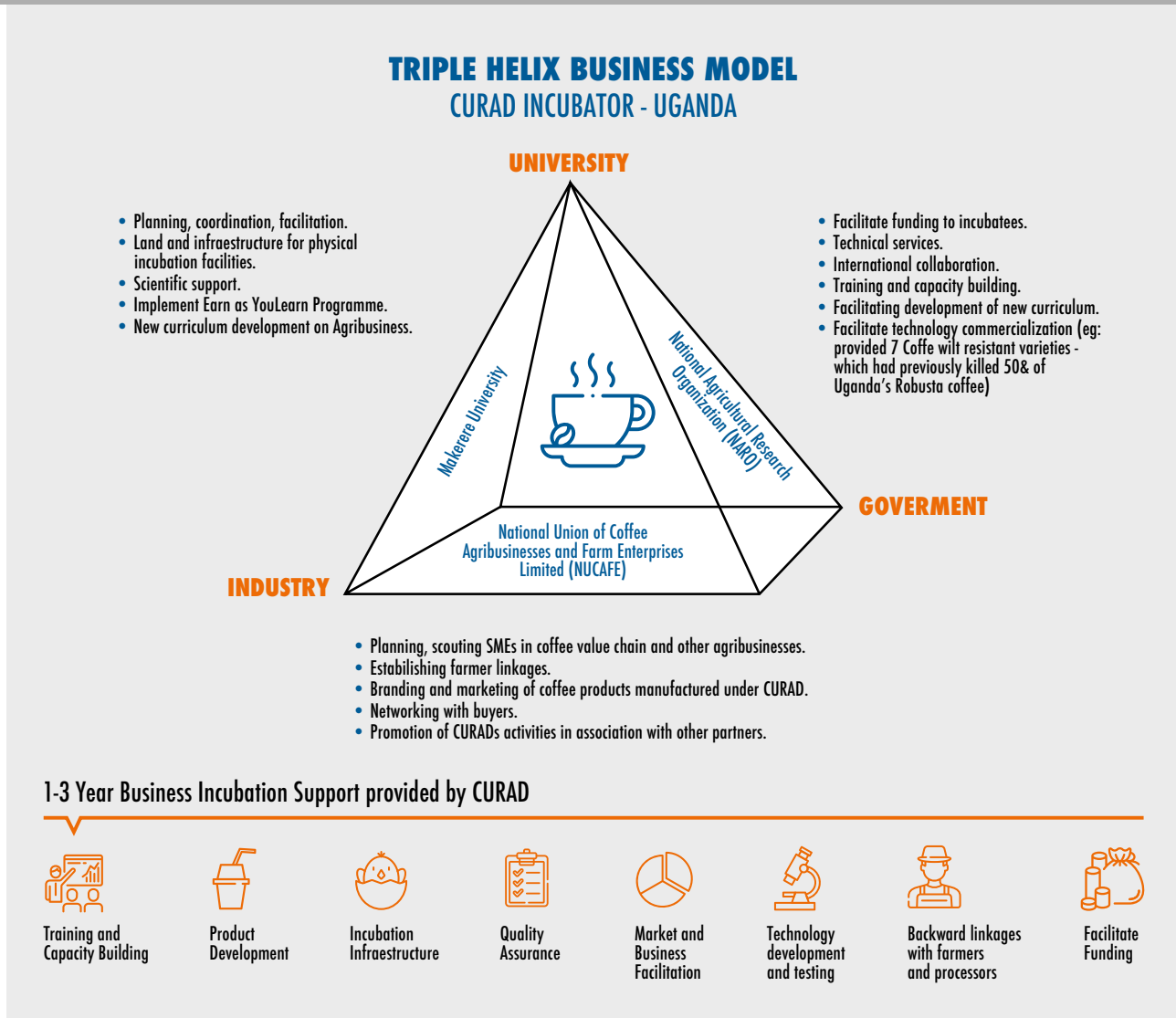
**Timbali:**

Established in 2003, Timbali has one of the most comprehensive agribusiness incubation programmes in the region, taking incubatees through a one-year pre-incubation programme, with successful entrees proceeding to a three-year incubation phase. Timbali has three business models that offer distinct types of services and support, summarized below. Timbali's engagement and support with its clients vary, depending on the model - from full-fledged support in Model A to more of a consultancy role in Model C. The skills development of farmers covers infrastructure, maintenance, technical

production, marketing and finance. Timbali extension officers use the technical and business dashboards for training and feedback.

In Model A, farmers rent land on the AgriPark and a team of experts provide a range of incubation support services to the farmers (e.g. training, mentorship, technical development, financing and marketing) over a four-year programme. The AgriPark incubation model of Timbali has a strong export focus (52 percent of products) and facilitates incubatees to quickly access export market opportunities. Model B is based on the

FIGURE 32: BUSINESS MODEL OF CURAD



Source: Authors' own elaboration.

same franchise model; however, instead of operating on AgriPark premises, it operates on farmers' own land. Farmers are grouped into clusters, with 15 farms in each cluster; Timbali officers visit and assist them on a daily basis. A cooperative is established and managed by Timbali's system and its trained employees, which packs and markets the products of participating farmers. In time, ownership and management of the cooperative is handed to the group.

### CURAD:

Established in 2014, CURAD is one of the most successful examples of an African incubator. Each partner brings with it a unique set of contributions to the incubation

process (Figure 32). Although initially established through a project with donor funding in the amount of USD 2 million from DANIDA, it made a challenging, but successful transition to a self-sustaining incubator with a diversified revenue stream, able to offer useful lessons and the exchange of best practices for other project-type incubators in the region. CURAD's programme is comprised of a pre-incubation phase, incubation phase and post-incubation–exit–graduation phase. The main models used by CURAD is the farmer-ownership model that offers a mix of agribusiness and coffee value-chain-based incubation services to various categories of clients. Services are also delivered countrywide to incubatees who operate on their own premises.

The **farmer-ownership model** was developed by NUCAFE, and its key feature is a smallholder group organized into a cooperative or association, with a minimum of 20–35 members, that maintains the ownership of the product throughout the value chain. The CURAD incubator serves as the process facilitator in providing goods and services to stakeholders along the coffee value chain. When processing a good, therefore, producers do not sell to the processing plant(s); instead, they pay for the service of using the processing facility and the product is sold when it has gained maximum value. CURAD’s operational model rotates around offering a full range of agribusiness incubation services for one year.

The key areas of support provided by CURAD include:

- business services (e.g. financial modelling, financial linkages, registration, licenses, quality management, technology transfer, business development plans and strategy);
- technical support in quality management system development, product development, branding and market development;
- financial business support through the procurement of materials;
- people connectivity through mentoring, coaching and interaction with entrepreneurs;
- infrastructure and production facility, Internet, office space and meeting rooms; and
- promotion of appropriate commercially viable technologies for improved value addition (possibly linked to agricultural production) in coffee, fruits, and vegetable value chains.

One of the critical offerings of CURAD is the common user agricultural park facilities that include fully operational factory facilities for coffee fruit horticulture and powdered products for start-ups. The coffee value addition hub is located in Gayaza Kabanyolo, while the beverage value addition hub lies in Namukekeera, Kapeeka. The third AgriPark, which will be handling fresh fruit and vegetable production, as well as dried fruits and production, is currently under construction. This CURAD incubation offering takes the capital gap and risk out of starting a business along these value chains, a concept that CURAD intends to expand across the country and region.

### 2SCALE:

Unlike other incubation models, 2SCALE does not use

a particular incubation model. Instead, it uses public-private partnerships (PPP) as the vehicle to incubate and accelerate participating businesses, by developing firm-level business models and value chain arrangements that integrate smallholder farmers into the value chain. The design and building of partnerships for the incubation of inclusive business ideas in agrifood value chains focuses on companies and cooperatives that aspire to make a difference. This is done by building sustainable for-profit businesses that include low-income and under-connected communities, by sourcing locally and by offering affordable yet acceptable quality products to “bottom-of-the-pyramid” consumers.

### IITA Youth Agripreneurs model:

IYA model is based upon experiential learning whereby young entrepreneurs are taken through an 18-month incubation cycle where unemployed graduates are trained, mentored and coached to develop viable businesses in production and value addition of commodities like cassava, maize, soybean, vegetable, plantain and banana, fishery and piggery. The programme has now expanded into many African countries such as Democratic Republic of the Congo, Uganda, the United Republic of Tanzania, Kenya and Zambia. The business model is based on creation of Youth Agripreneur Group (YAG) in a specific location, led by a youth coordinator and supported by a group of interns (about 35 in a group). After the 18 months incubation programme, the youth develop bankable business plans along the value chain to enable them access loans from commercial banks to establish their independent agribusiness enterprises. The IITA Youth Agripreneurs (IYA) also partners with the public and private sector to offer training and consultancy services to youth and farmers.

### ENABLE Youth:

ENABLE Youth is a continental scale-up of IITA’s Youth Agripreneur Model (IYA), with programmes implemented in more than 12 countries in Africa. The business models of **ENABLE** Youth programmes vary across countries. Acknowledging that Africa is a large and diverse continent with national governments adopting different priorities, AfDB has adopted a pragmatic approach to the promotion of youth entrepreneurship, allowing models to be developed and driven by national governments within an overall framework that has been established by the institution. This has created a complex operational environment that includes varying modalities of operation, as well as differing funding structures. It is admirable that within the framework of ENABLE Youth, so much information is freely available regarding the establishment of in-



FIGURE 33: ENABLE YOUTH PROGRAMME BUSINESS MODELS

	<b>ENABLE YOUTH</b> Kenya	<b>ENABLE YOUTH</b> Sudan	<b>ENABLE YOUTH</b> Uganda
<b>Timescale</b>	Full-fledged Youth ENABLE Programme 2018-2023	Full-fledged Youth ENABLE Programme 2017-2022	Component of the Farm Income Enhancement & Forest Conservation Project 2016-2021
<b>Budget</b>	US\$ 32.78 Million • AfDB (US\$ 30 Million) • Government (US\$ 2.7 Million)	US\$ 32.7 Million • AfDB (US\$ 28.9 Million) • Government (US\$ 3.2 Million)	US\$ 91.43 Million • AfDB (US\$ 76.70 Million) • Government (US\$ 9.13 Million) • Nordic Development Fund (5.60 Million)
<b>Lead Partner</b>	Ministry of Agriculture, Livestock, Fisheries & Cooperatives	Ministry of Agriculture & Forests	Ministry of Water and Environment
<b>Target</b>	Train 2080 youth in 5 years through 8 YABICS	Train 2000 youth in 5 years through 13 YABICS	Agribusiness component of the project targets to train 250 Agripreneurs
<b>Approach to Incubation</b>	Includes both an incubation and acceleration track. Incubation cycle of 3-12 months depending on the chosen track	12-month incubation Track	6-months intensive acceleration programme
<b>Access to seed funding</b>	Between US\$ 5,000 - 15,000	Up to US\$ 30,000	Up to US\$ 8,000

Source: African Development Bank. Abidjan. Cited 1 December 2022. [www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/Enable\\_Youth\\_brochure.pdf](http://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/Enable_Youth_brochure.pdf)

country programmes. However, there is a possible lack of information on the impacts and outcomes of completed and ongoing programmes, and it is of concern that the learning from existing programs is not readily available thus far.

The ENABLEYouth programme in Uganda has adopted an accelerator process through which an intensive business programme has trained 250 agripreneurs over a six-month period. The agripreneurs are trained in business, technical and soft skills, at the end of which the most promising 90 incubatees are provided with seed investment of up to USD 8 000 each. The incubatees have a grace period of six months within which to repay the loan, with a revolving fund established at the end of the 24-month project. In contrast, ENABLEYouth Sudan has a 12-month incubation cycle programme, using

13 youth agribusiness incubation hubs that provide a comprehensive set of services and training. The two programmes have two different settings, with ENABLE Youth Sudan being led by the Ministry of Agriculture and Forests, with technical support from IITA. ENABLE Youth Kenya trains 2 080 agripreneurs on incubation or acceleration tracks, the duration of which may vary from three to 12 months.

The incubation process of ENABLE Youth Kenya has three key phases, namely, pre-incubation, incubation and post-incubation. The pre-incubation stage focuses on an ideation stage where agripreneurs develop their idea into a proof of concept and prepare to understand the technical feasibility of the idea proposed. Following from this is an innovation assessment, business plan elaboration, business modelling and training. The incubation phase lasts between three months to a maximum of 12 months, depending on the category of the incubatee (fresh graduate versus accelerated). During the post-incubation phase, graduates are

offered support services to help them with business networking activities, marketing assistance, accounting and other financial management activities, access to commercial loans and other funds. Linkages to resource centres, training institutions and strategic partners are also supported.

#### **RUFORUM's RECAP:**

**A university-based model, this programme is implemented on a project basis over 24–48 months and operationalized through university incubation hubs.** Each hub is allocated a maximum of USD 50 000 to support the creation of at least ten student enterprises. Currently, the project targets only university students, although there is strong potential to strengthen collaboration through tripartite models among various universities, businesses and research institutions (e.g. CURAD). RECAP's Agribusiness Incubation Hub in Uganda, for instance, operates at Bishop Stuart University and the project is implemented in partnership with Excel Hort Consult Ltd., an agribusiness incubator in Koryanorya, Mbarara.

### **5.7.1 Reflections**

**The above examples demonstrate the diversity of the incubation and agribusiness incubation landscape in Africa.** However, the sector specificity of agriculture requires agribusiness incubators to offer certain types of support, training and services that often go beyond what is offered in a “generic” business incubation model. For instance, physical infrastructure and facilities to provide practical and hands-on agricultural training and services is critical for a successful agribusiness incubator. Similarly, having production and processing facilities where incubatees can learn, innovate and develop new and value-added agricultural products are key to enabling agricultural entrepreneurs and SMEs to move up the value chain. As highlighted by the UniBRAIN study, start-up funding for capital investments in many developing countries is scarce; access to low-cost certified production facilities is a highly essential service that an incubator can provide. The focus on setting up production facilities was a priority in all six incubators established through UniBRAIN, the purpose of which was to “setup standard food processing units for incubatees to facilitate production activities and certification and allow training and proper demonstration of processing processes” (Hjortsø, Alexander and Hernandez Chea, 2017).

**The CURAD Managing Director, Apollo Segawa, argues that for successful agribusiness incubation, there is a dire need for production units similar to mini factories or green houses or agricultural land.** He also makes the point

that these facilities are not only essential for nurturing successful start-ups to growth, but also crucial in generating fees to sustain the incubation activities of the incubator. CURAD, in partnership with the Agricultural Business Initiative, has developed a UGX 10 billion (approximately USD 2.7 million) incubation AgriPark for youth agripreneurship in Uganda. The park aims to support start-ups to improve on product quality and promote market access for Uganda's young enterprises and products. The facility will host 20 enterprises, and will include value addition equipment, such as roasters, grinders, dryers and a production packaging unit.

**Similarly, all the agribusiness-oriented incubators and incubation programmes described above have one thing in common distinguishing them from multi-sector or non-sector-specific programmes; that is, their long duration.** Programmes, such as those of MASDT, Timbali, 2SCALE, CURAD and EAAP often provide incubation support services over a longer period of time - two to three years and above - allowing incubatees to strengthen their business models over a number of production, harvest and marketing cycles. According to lessons learned from the UniBRAIN incubators, developing a new venture from the idea stage to a self-sustained enterprise typically takes three to five years. Thus, an incubator to support and incubate these new ventures must provide targeted and consistent support for a minimum of three years, or possibly longer.

**Finally, agribusiness incubators should ensure a value chain approach so that incubatees are integrated into the larger agribusiness ecosystem,** irrespective of whether or not the incubator or accelerator focuses only on one value chain (e.g. in the case of EAAP, honey), multiple value chains (2SCALE) or on one segment of the value chain (e.g. production or processing). The World Bank's InfoDev multi-donor programme highlights value chain integration as paramount to successful incubation in developing countries, where farm-to-market chains and distribution channels are most often absent.

**There is no “one-model-fits-all”; however, the success of an agribusiness incubator or incubation programme should be judged based on the goals and targets of the incubator.** According to the World Bank's InfoDev programme, the real test for the efficacy of an agribusiness incubator model lies in its potential to scale up and replicate the model (World Bank, 2014). Timbali reports a 100 percent success rate among its incubatees in its franchise model, which offers a risk-free business opportunity for production-level entrepreneurs. CURAD's farmer-ownership model, in contrast, serves as a process

facilitator with product ownership, and therefore offers greater room for entrepreneurial innovation and capacity to move up the value chain. Timbali's target incubatees are primarily at the farm–producer level, while CURAD's target clientele are those looking to move up the value chain and who require infrastructure and facilities to process their product. In contrast, 2SCALE's incubatees come from the entire value chain, with 2SCALE serving as a partnership facilitator. The ownership and returns from the PPP success remains with the businesses within the partnership. All three models are successful for the purpose for which they were designed.

## 5.8 Access to finance

### Key messages:

- Business incubators, accelerators and other ESOs play a key role in facilitating access to funding for their incubatees and SMEs. Over 230 of the 430 ESOs that were mapped specifically mention providing funding or support to obtain funds.
- Private-sector incubators (e.g. Raizcorp, blueMoon and Wennovation Hub) offer equity funding options in return for a stake in the businesses of the incubatee.
- Having a long-term and sustainable incubatee funding strategy is a key challenge for most incubators. The issue of incubatee funding also is linked to “right-sized” funding for SMAEs, whose funding needs are often much smaller than those targeted by venture capitalists and traditional financial institutions.
- A potential opportunity for incubatee funding strategies may exist in collaboration between incubators, the public sector and development partners that link incubators to government and development partner entrepreneurship funds and programmes.

### **Business incubators, accelerators and other ESOs play a key role in facilitating access to funding for incubatees and SMEs.**

From the mapping carried out for this study, over 230 of the 430 ESOs specifically mention providing funding or support to obtain funding. The 16 profiled ESOs also strongly confirm this finding. TEF provides USD 5 000 in seed funding to select applicants. RUFORUM's RECAP provides from USD 2 400 to USD 4 000 for

student start-ups, while AgriLab Ventures Platform provides USD 2 000 as seed capital. blueMoon Ethiopia offered a range of financial services to its entrepreneurs, including a one-off investor event (Lion's Den), access to a network of angel investors, a crowdfunding platform (blueMoon Crowd) and a 10-10-1 equity investment model, whereby it invests USD 10 000 in return for a 10 percent stake in the company. Raizcorp offers equity investment options for a 33.3 percent stake in potentially successful businesses. Timbali supports its incubatees in the preparation and application of the initial loan from its partner, MEGA, for plants and seedlings and land improvement (on average around ZAR 50 000). Advancement to the full incubation programme is based on interest and readiness for an intensive programme and on receipt of MEGA funding. Beyond the initial funding from the Timbali brand, which delivers services of monthly financial management statements, farmers also have the facility to access capital to grow their businesses. In 2021, Timbali partnered with Standard Bank to facilitate zero interest loans at zero initiation fees to support farmers to procure the inputs for their planting stage.

Almost all of the ENABLE Youth programmes provide incubatees with access to funding, although the modalities and terms of funding vary from country to country. In the case of ENABLE Youth Uganda, each incubatee has access to a maximum of USD 8 000, while ENABLE Youth Sudan provides access to funds of up to USD 30 000. The ENABLE Youth Sudan programme also plans to establish partnerships with financial institutions to provide funding to agripreneurs following their training. Financial institutions should establish syndicates with a total amount of USD 60 million. With regard to the ENABLE Youth Kenya programme, at least USD 14 million (68.1 percent of funding) of programme resources are to be allocated for early stage agripreneur start-ups in the form of grants, repayable grants (USD 5 million) and soft loans (USD 9 million), while another USD 8 million will be reserved as a risk guarantee fund for catalysing additional resources through the de-risking of private finance initiatives. Through the grant facility, each graduate incubatee will be able to access grants that range from USD 5 000 to USD 15 000.

CURAD provides incubatees with working capital, depending on their needs, often ranging from UGX 2 000 000 to UGX 5 000 000 (USD 560 to USD 1 400) (CURAD, 2019). As of 2019, CURAD has supported mainly youth and female agripreneurs with over USD 500 000 to help them start, expand and grow their businesses. EAAP has helped leverage ETB 63 million (USD 1 336 161) through direct and indirect

**FIGURE 34: EXAMPLE OF AN INITIATIVE SUPPORTED BY THE YOUTH ENTREPRENEURSHIP AND INNOVATION MULTI-DONOR TRUST FUND OF THE AFRICAN DEVELOPMENT BANK**

**Increasing Access to Finance for Youth-led Micro and Small Businesses in Five Countries**

Bank department: Human Capital, Youth and Skills Development  
 Implementing firm: African Guarantee Fund  
 Ghana, Nigeria, Zimbabwe, Togo and Mali  
 February 2020-March 2022  
 Business Development Services

Access to finance is one of the key hindrances preventing youth-led MSMEs from growing their enterprises. These MSMEs cannot access financing because of their informality and general lack of capacity to present credit-worthy business plans and financial records and reports of their enterprises. The Youth Entrepreneurship and Innovation Multi-Donor Trust Fund collaborates with the African Guarantee Fund to address issues affecting youth-led businesses in the broader value chain in relation to formalization and preparedness to access financing. Four hundred MSMEs will be trained in various business development topics, with 200 MSMEs also receiving mentor support. The Project targets to link at least 40 of the mentored MSMEs to financial institutions to access new and/or enhance financing for the growth of their businesses.

Source: Source: African Development Bank. Abidjan. Cited 1 August 2021. [www.afdb.org/en/topics-and-sectors/initiatives-partnerships/jobs-for-youth-in-africa/the-youth-entrepreneurship-and-innovation-multi-donor-trust-fund](http://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/jobs-for-youth-in-africa/the-youth-entrepreneurship-and-innovation-multi-donor-trust-fund)

financial support, such as facilitating loan and lease financing applications. These aim at assisting enterprises to increase their supply and production during each harvesting season. 2SCALE has raised over USD 60 million in private investments for 52 ABC partnerships in nine African countries. Following the COVID-19 pandemic, 2SCALE established 2SCALE Crowdfunding to support its entrepreneurs.

**5.8.1 Reflections**

**From the examples above, it is clear that incubators and incubation programmes play an essential role in facilitating access to funding for SMAEs and entrepreneurs. A sustainable incubatee funding strategy, however, remains a challenge for most incubators.** Incubatee funding depends on “right-sized” funding for SMAEs, particularly in Africa, where funding typically range between USD 50 000 and USD 1 million – with most below USD 250 000 (AgriProFocus, ICCO Cooperation and Rabobank Foundation, 2018). CURAD, for instance, deals with start-ups that often require micro-funding to start their businesses. Venture capital and impact funds often target businesses that are larger. For example, the initial capital investment range of Seedstars Africa Venture ranges between USD 250 000 and USD 2 million. As a result, SMAEs are often ineligible for such funding opportunities.

**Similar to the UniBRAIN study notes (Hjortsø, Alexander and Hernandez Chea, 2017) - and despite the improvement in the potential to access agricultural funding from banks and financial institutions - collaboration, although a possibility, is in practice more difficult to achieve.** Nevertheless, there is evidence of successful bank collaboration in the case of 2SCALE, whereby access to finance has mobilized funding to improve the entire value chain operation. In Nigeria, for example, 2SCALE initiated discussions with three financial institutions (i.e. Central Bank of Nigeria, FCMB and Excel Microfinance Bank Ltd.) to access funding for the PPP lead firm, Psaltry International, which purchases cassava from 700 small-scale outgrowers. Given the lack of knowledge on the part of the financial intermediaries regarding grower schemes, it was through various meetings and field visits by bank staff that 2SCALE was ultimately able to broker a financial deal with FCMB for the disbursement of a loan at the low interest rate of 9 percent a year. Other examples of new financial products are a loan product developed and tailored by Kenya’s Savings and Credit Cooperative to support input financing for over 7 000 farmers that supply to the lead firm, Shalem Investments Ltd. (IFDC, 2018).

Opportunity for incubator funding may rise from collaborating with governments and development partners that are able to link incubators to entrepreneurship funding. In the case of Timbali, incubatees were able to gain initial funding from

FIGURE 35: TIMBALI TECHNOLOGY INCUBATOR MODEL



Source: Timbali Technology Incubator. Nelspruit. Cited December 1 2022. [www.timbali.co.za](http://www.timbali.co.za)

MEGA, a development finance institution and trade and investment promotion arm of the Provincial Government of Mpumalanga. Many countries depend on the Youth Development Enterprise Fund, which provides significant funding for youth entrepreneurship initiatives. Furthermore, there is scope for establishing links between incubators and regional funds, such as AfDB's Youth Entrepreneurship and Innovation Multi-Donor Trust Fund to support access to incubate funding.

## 5.9 Access to markets

### Key messages:

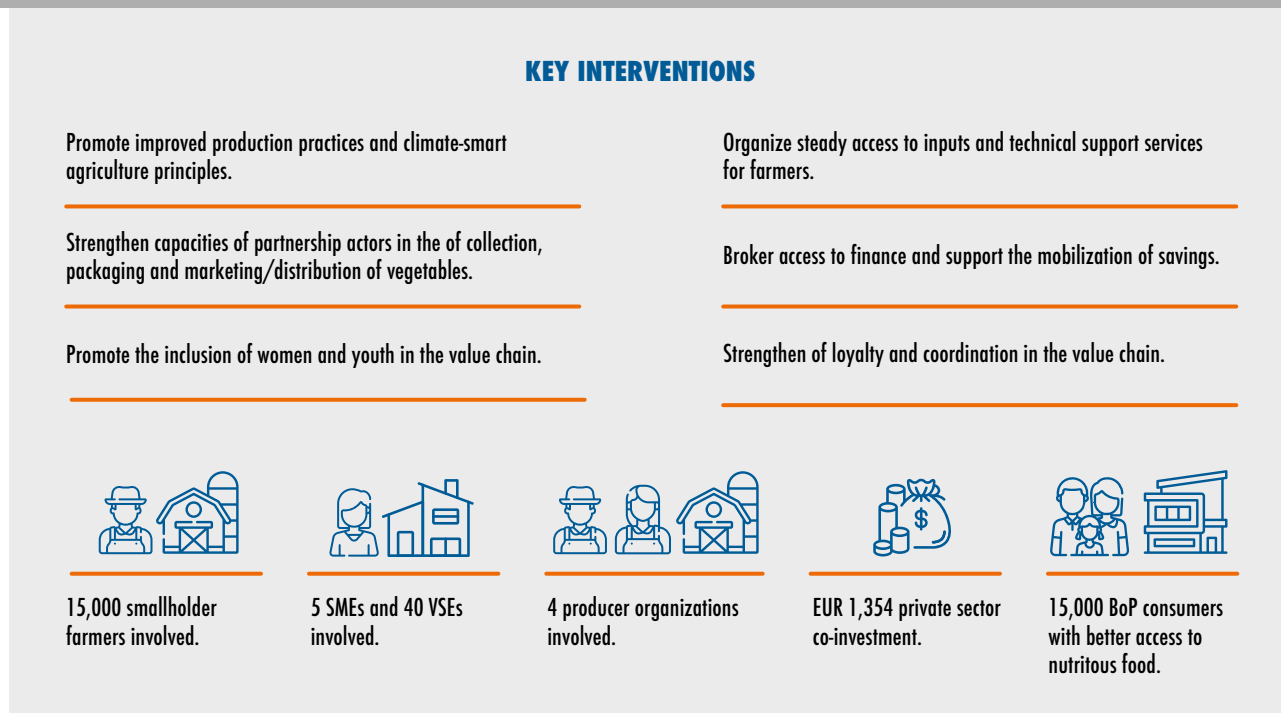
- Value chain integration and market access are critical to the success of agribusiness incubatees. However,

different incubators and incubation programmes offer different types and level of support on market access, including marketing training; facilitating market linkages and connections; and provision of packing, branding and logistics services.

- Incubatee expectations vis-à-vis market access has been identified as one of the most challenging areas in terms of the UniBRAIN incubators, since they held the incubators responsible for providing a market for their products. As such, it is essential that there is a clear understanding of what services the incubators offer, so that expectations are more realistic.

**For agribusiness incubators value chain integration and market access are critical to the success of the incubatees.** As highlighted by the World Bank (2013), agribusiness incubators have a strategic role in finding the missing

**FIGURE 36: KEY INTERVENTIONS UNDER THE PUBLIC-PRIVATE PARTNERSHIP WITH SERVICE COMMERCIAL SILVAIN (SCS): MALI**



Source: 2SCALE. Accra, Nairobi and Utrecht. Cited December 1 2022. [www.2scale.org/en/partnerships/promoting-markets-for-locally-produced-fresh-vegetables-en](http://www.2scale.org/en/partnerships/promoting-markets-for-locally-produced-fresh-vegetables-en).

links in farm-to-market chains. Timbali’s incubator model is considered a “farm-to-market” model, whereby incubatees are able to access a guaranteed domestic or export market. The incubator provides services related to post-harvest, quality assurance, packaging and transportation. Over 52 percent of entrepreneurs that operate on Timbali’s AgriPark export their products to a wide range of markets, including France, Germany, Switzerland and the United Kingdom of Great Britain and Northern Ireland. Timbali’s amaVeg farmers own 5 percent of the local baby vegetable market, with vegetable exports at nearly 50 percent, sales to large retailers at 40 percent and sales to wholesalers at 10 percent.

CURAD’s marketing support, in contrast, is channelled through its consortium partner, NUCAFE, which plays a critical role in facilitating local and export market access through collective branding and the marketing of coffee products, manufactured under CURAD. CURAD’s products are exported to a number of countries including Germany, Italy, Japan, the Kingdom of the Netherlands, the United Arab Emirates, the United Kingdom of Great Britain and Northern Ireland, and the United States of America.

EAAP’s interventions remove export barriers and facilitate access to domestic markets for local honey producers. Despite being the largest producer of honey and beeswax in Ethiopia, only 3 percent of the honey and 10 percent of the beeswax it produces have access to the international market. One of the main challenges for exporters is the lack of local testing laboratories, which forces Ethiopian honey exporters to send samples of the products to Germany among other countries for quality control and assurance measures. Through its ecosystem, EAAP supported two quality control laboratories within Ethiopia that are able to test and accredit the honey under international standards. EAAP supports the strengthening of domestic market access to smallholder beekeepers and aggregators through contract farming schemes for over 6 500 beekeepers linked to the local honey and beeswax processing companies.

2SCALE’s value chain and PPP approaches aim at developing its core supply and market chain by matching large-scale enterprises with SMEs and ABCs. Its bottom-of-the-pyramid market model acts as the driver for inclusive value chains, whereby a majority of PPPs focus on the domestic market, with only a 16 percent target to the export market (SEO, 2018). For

example, in Mali, the PPP with Service Commercial Silvain, a company engaged in the import and export of fruits and vegetables, was designed to diversify from its dependency on the international market (primarily relating to mangoes). The interventions were aimed at collaboration with local farmers and female wholesalers at Bamako's open markets, as well as supporting the development of a dedicated marketing approach to the niche market of (local) middle-class customers (Figure 36).

### 5.9.1 Reflections

**While the majority of ESO incubators and accelerators include training and capacity building in sales and marketing, not all incubators provide incubatees with direct market access.**

UniBRAIN incubatee market access expectations were identified as one of the ESO's most challenging areas due to the belief that incubators are responsible for providing markets for their products. As evidenced from the above examples, the levels and types of market support between the various incubators and incubation programmes varies significantly. It is therefore essential that the understanding of what services are offered by each incubator is made clear to incubatees. For instance, UniBRAIN recommends providing its incubatees with training that will make them more proactive in their interaction with customers from a product development and marketing perspective.

## 5.10 Mentoring, coaching and business development services

### Key messages:

- Mentoring and coaching are key elements to the delivery of ESO services. From the service delivery descriptions of the 430 ESOs profiled, 45 refer to coaching and 60 to mentoring as part of their service offerings.
- Identifying the most suitable mentor is key to determining the success rate of an entrepreneur and incubator. Mentor training, capacity development and clear guidelines are critical to impactful mentoring programmes.
- With regard to long-term mentoring and coaching sustainability, there is evidence that internally trained (and remunerated) staff or business mentoring and coaching is a better approach than

outsourcing in the African context, due to the lack of relevant qualified and trained mentors in the region.

Mentorship and coaching are key ESO elements relating to the delivery of services. From the 430 ESOs profiled, 45 refer to coaching and 60 to mentoring as part of their service offerings. The duration and intensity of mentoring and coaching offered by the organizations, however, vary considerably. Organizations such as TEF have clear requirements and selection criteria for its 11-month mentorship programme. Mentors are required to have a minimum of five years of business and work experience and must be able to commit to one hour a week for a minimum of one year during training and one hour a month post-training.

**Raizcorp** has its own mentoring and coaching approach, known as "guiding". As part of the selection process for guides, applicants are required to complete a case study with an income statement, whereby one exercise is to calculate the net profit of the business. Guides are required to have completed their first year Certified Entrepreneurial Guides certification, a second year as a Professional Entrepreneurial Guide and a two-year master's degree. The process has been accredited by the Government of the United Kingdom of Great Britain and Northern Ireland. Raizcorp applies the same rigor in selecting its guides as it does in selecting its incubatees (only one in 104 applicants is successful).

**blueMoon**, collaborated with Mowgli Mentoring – an organization with over 13 years of experience that has delivered more than 135 mentoring programmes in Africa, the Near East, and the United Kingdom of Great Britain and Northern Ireland. blueMoon's entrepreneur teams were often matched with trained mentors by Mowgli Mentoring who are based in Ethiopia and who provide support for one year. In September 2021, blueMoon announced a call for mentors, the criteria being mid-career business professionals in their late 20s to mid-40s, with experience in IT, agriculture or other business area.

**2SCALE** uses ABC coaches and agribusiness trainer-mentors. The coaches organize technical training on hard skills (e.g. best agricultural practices), and processing methods, as well as provide soft-skill (or "functional capacities") coaching (e.g. brokering and building relationships, advising or developing networks). There are two kinds of ABC coaches, an internal and an external one. Internal coaches comprise 70 percent of the total number of coaches and are often members of a producer organization or SME (trader or processor) that forms part of the ABC. External coaches can be contracted

from a business support service (such as an extension service, research organization, non-governmental organization or consultancy). Agribusiness mentors are professional iCRA associates, contracted part-time to support the design, implementation and evaluation of capacity strengthening activities in 2SCALE. The trainer develops and implements a yearly capacity strengthening plan for the ABCs within a specific value-chain partnership. They also train and mentor the associated ABC coaches (2SCALE, 2017). An interesting factor is that 2SCALE coaches are paid for their services. In West Africa, remuneration for a full day of coaching three to four times a year varies between EUR 25 and EUR 40 a day (2SCALE, 2019).

**AAIN** has also created an online mentorship programme, recruiting and engaging over 2 300 mentors in agribusiness trade and investment across 55 African countries. They support incubatees in various value chains in the languages of Arabic, English, French and Portuguese.

### 5.10.1 Reflections

**Finding the suitable mentor is a key determinant factor for entrepreneurial and incubator success.** Mentorship of incubatees is noted as one of the main challenges with respect to UniBRAIN's incubators. In January 2015, however, three of the six UniBRAIN incubators, as well as CURAD, suspended their mentorship activities. With regard to CURAD, mentoring was provided during the initial phases through the Pan African Agribusiness and Agroindustry Consortium network. Since suspension, CURAD has largely relied on its business network and partners to provide the necessary mentoring to its incubatees.

**A recurring question in terms of mentoring is whether or not incubators should be paid. 2SCALE's agribusiness trainers and ABC coaches offer an interesting insight into this.** Initially, 2SCALE preferred to work with external coaches with no value chain affiliation. Soon, it reviewed this strategy for reasons of sustainability, after which it increasingly began to hire ABC coaches from a local partner organization, extension agency or processing company. 2SCALE's experience has demonstrated that internal coaches are more likely to remain with the cluster and partnership, while providing a sustainable business service model beyond the life of the project (2SCALE, 2017).

## 5.11 Exit strategy and post-incubation support

### Key messages:

- Few of the 16 ESO incubators had clear exit criteria, with most being time-bound and their appointment largely based on the duration of the programme. The lack of clear performance-based exit criteria brings with it an investment risk to the incubator that can affect its survival and competitiveness.
- From the data, it was found that post-incubation support also was not made clear, thus jeopardizing what could have been a key to ensuring the success of an incubatee up to the level of graduating and sharing its success stories.
- Some incubator success stories were found online or from annual reports, newsletters and articles. Nevertheless, there is an absence of a systematic documentation and reporting database, and only a few ESOs and incubators showcase such information on their websites.
- In addition to maintaining an updated "graduate" database, regular networking and interaction with incubatees is essential to gain a sense of their progress. Some graduate incubates, in turn, are able to provide mentorship support to other entrepreneurs like them, so as to create a space for sharing experiences and learning from each other.

Post-incubation support and exit criteria were not always evident during the study, with only a few of the ESOs raising them. ESOs with an exit strategy showed that incubatees were time-bound and they were not based on performance, with the exception of MASDT in terms of only performance. MASDT's incubatee exit criteria requires a minimum of three years' full-time incubation period and verification of the following for each:

- Participation in a formal assessment of the success of the farming venture.
- Proficient knowledge of sustainability planning, financial management and market delivery.
- The SME is able to produce on a minimum of 5 ha.
- The SME's turnover and its sales and harvests must have been consistent over at least three production cycles.



- The SME is able to trade and make a profit.
- Incubatees are able to conduct excellent recordkeeping for the enterprise.
- The SME is able to convince MASDT that it can operate independently.

**This type of exit strategy was not evident in the other incubator ESOs in the study. Post-incubation support was often carried out by way of follow-up mentoring and support services.** ENABLE Youth Kenya was one of the few ENABLE Youth programmes that has a clearly articulated business model on its website, detailing its post-incubation support for incubatees, support that includes business networking; marketing; accounting and financial management; access to commercial loans and funding; and linkages to resource centres, training institutions and strategic partners. blueMoon offers one-on-one mentoring with business professionals for 12 months, while TEF provides follow-up support to entrepreneurs through its TEFConnect digital networking platform. AgriLab provides follow-up support to its participants through regular health checks.

**Post-incubation support should include information on the graduating incubatees and their success stories.** While success stories are available through multiple sources (e.g. annual reports, articles, case studies, social media, websites), there is no way in which they can be systematically shared, with only a few of the 16 ESOs having a dedicated website section for these. Of these, Wennovation Hub provides a list of start-up portfolios it has supported. TEF has a catalogue of the beneficiaries that have passed through its programme. Timbali's website has a list of incubatee success stories with an overview of the impacts of its support on the business and job creation through the enterprises. Similarly, CURAD's 2019 annual report shows examples of the entrepreneurs it has supported and its impact as a result. Notably, some of the incubator early success stories were found through other sources, such as blueMoon's ANABI on the website of Detail (Ethiopia) (Sileshi, 2020).

### 5.11.1 Reflections

**Reviewing the business models and the literature on various incubator and incubation programmes in the region, exit strategies and post-incubation support was often not clear.** Exit criteria and strategy must be tailored to the specific context and service offering of the incubator, ensuring that the incubatee enters the programme with the determination to graduate rather than the expectation

of indefinite support. Furthermore, an exit criterion based purely on duration and not on performance, risks investment in an incubation process that doesn't ensure competitiveness and survival of the incubatees.

**The previous section highlights the demand for a more systematic collection of documentation and incubatee success stories.** Incubator success stories for this study were compiled from various sources, including articles, newsletters, annual reports and social media, among other channels. Few incubator and ESO websites offer a dedicated section on incubatees; and even if they do, not all share the impacts of their start-ups. To provide the incubator a sense of the chances of success, a well-maintained "graduate" database should be made available, offering incubatees opportunities to regularly network and interact with each other. In turn, graduates should be able to provide mentoring to other entrepreneurs, providing them the opportunity to share knowledge and experiences.

## 5.12 Knowledge sharing and networking among ESOs

### Key messages:

- Cross-collaboration among incubators and accelerators demonstrates strong and tangible benefits in terms of peer-to-peer learning, knowledge exchanges and scaling up programmes. The regional network organization AAIN has more than 313 registered members and plays a key role in networking and collaboration among African incubators.
- Business incubator associations are not known to be present in any country in Africa in comparison to other countries, where they exemplify the key role in promoting networking, collaboration and advocacy, as well the garnering of policy support to enable the strengthening of business incubation in a country.
- Some development-led initiatives exist to establish networks between incubators within and outside the region (e.g. a USD 3 million European Commission project to establish a regional network platform to support business incubation in sub-Saharan Africa (EC, 2021). The challenge, however, is the sustainability of networks beyond the project's life span. Engagement of regional partners such as AAIN and establishing a dedicated platform for incubators

and accelerators that is anchored within a regional organization would greatly support networking and collaboration among incubators in the region.

Cross-collaboration among incubators and accelerators demonstrates a strong and tangible benefit in terms of peer-to-peer learning, knowledge exchange and programme scale up. While a systematic learning exchange across incubators is not a common factor, there are examples of incubators that do learn from each other. For example, the ENABLE Youth Sudan team undertook a study tour to South Africa where it visited Timbali and MASDT to learn their best practices and knowledge. Also, during the initial phase of the six UniBRAIN incubators, exchange visits and incubator management training were organized in South Africa together with Timbali.

Other examples include Wennovation Hub, which has a strong ecosystem that works with a large network of organizations that includes governments, businesses, universities and other incubators. It is active in the university entrepreneurship ecosystem and manages a number of initiatives, including its Project Campus to Market, in collaboration with the University of Ibadan, Nigeria. Wennovation Hub is part of Afrilab, the largest African network of African tech hubs, with 268 innovation centres across 49 countries in the region. In 2022, Afrilab sponsored the Wennovation Hub programme, Ideas to Business for Nigerian female founders, which offers a four-month pre-incubation programme to 50 female entrepreneurs, with over 80 percent of its selected start-ups progressing to Wennovation Hub's acceleration programme.

AgriLab (Nigeria) offers an interesting model for collaboration between African and non-African partners. The programme is jointly developed with the Government of Ireland, through its embassy in Abuja. At conclusion of the four-month incubation programme, the winning team receives a complimentary trip to Ireland to meet and network with potential business partners and state agencies.

The **TEF Forum** is the largest forum whereby African entrepreneurs and the entrepreneurship community are able to network and exchange information with their peers. Until 2019, the annual forum has hosted an audience of approximately 5 000 in one location, with over 50 000 joining the event virtually. TEF also collaborates with other partners, such as AfDB. In 2019/2020, AfDB's Youth Entrepreneurship and Innovation Multi-Donor Trust Fund financed the capacity building of youth-led start-ups and micro,

small and medium-sized enterprises through the TEF Entrepreneurship Programme. The partnership has supported 3 050 young entrepreneurs from countries across Africa and has enabled an additional 1 000 entrepreneurs to benefit from training and mentoring.

### 5.12.1 Reflections

**Business incubator associations can play a key role in promoting networking, collaboration, and advocacy, and can garner policy support to strengthen business incubation.**

Regional network organizations, such as AAIN, are key to promoting networking and knowledge exchange among incubators. AAIN has a network of 313 incubators registered in its network, enabling the sharing of knowledge and learning to a pool of incubation experts and mentors. Between 2016 and 2021, AAIN has conducted over 50 business incubation management capacity strengthening events for regional agribusiness incubator managers in East Africa, West Africa and Southern Africa, at which universities and county governments (in Kenya) are present. The result reflects the capacity strengthening of over 580 African business and agribusiness incubator managers across the continent. Since 2015, AAIN has also hosted the annual Agribusiness Incubation Conference and Expo, jointly organized with AfDB, AU and the host government. The most recent of these conferences was held in October 2021 in Malawi. The event is the only continent-wide conference on agribusiness incubation and provides a rich forum for exchange between ESOs and policymakers.

National-level Business Incubator Associations are rare – given that not many full-fledged incubators exist in the region. In countries with more advanced incubation ecosystems such as the US, city-level incubation associations bring together the community of business incubators and accelerators working in a particular city (Figure 37). In the case of Africa, while every country may not be in a position to establish similar associations, examples are emerging of subregional networks that provide similar services. In 2021, the European Union implemented a USD 3 million project (2021–2025) to establish a regional network, BIC Africa, to support business incubation in sub-Saharan Africa, with a focus on Angola, Somalia, Ethiopia and Madagascar. The network will encourage knowledge sharing and learning among business incubation programmes and connect them to similar networks. Specific support to select business incubators includes defining business models that are sustainable and improving the management skills of incubator staff, as well connecting with European innovation hubs and building collaboration networks.

FIGURE 37: BUSINESS INCUBATOR ASSOCIATION OF NEW YORK STATE INC.



Source: BIANYS (Business Incubator Association of New York State). *BIANYS*. London. Cited December 1 2022. [www.bianys.com](http://www.bianys.com)

Similarly, the Africa-Europe Innovation Partnership, funded by the European Commission that concluded in September 2021 was an initiative that fostered relations between incubators and accelerators, as well as between technology communities in Africa and the European Union. The interventions were intended to improve the understanding of business ecosystems in Europe and Africa and connected entrepreneurs across both continents to explore partnership networking and funding opportunities.

The challenge, however, remains the sustainability of networks beyond the project life span. Engagement of regional partners, such as AAIN, and establishing dedicated platforms and websites for incubators and accelerators alike from Africa will greatly support networking and collaboration among incubators

in the region. Development partners (e.g. through initiatives such as BIC Africa) can support the creation and strengthening of such a platform, ideally building on existing websites and platforms of suitable regional networks and stakeholders. Such platforms will not only facilitate easier interaction between the different business and agribusiness incubators and accelerators from the region, but also will greatly enhance linkages to those from other regions.

# 6. CONCLUSIONS AND RECOMMENDATIONS

## 6.1 Incubators and ESOs play a key role in new enterprise and job creation

Cost-benefit analysis conducted indicates that agribusiness incubators can be effective in creating sustainable and competitive enterprises and benefits

outweigh the costs (InfoDev, 2013). Despite the challenges in compiling information on the results and impacts of ESOs, the available information from the profiled incubators and accelerators shows that both also play an important role in nurturing and supporting nascent entrepreneurs and job creation. However, more analysis is called for on the kind and quality of jobs, as well as information on survival of these start-ups.

### BOX 3: SUCCESS STORY OF THE TONY ELUMELU FOUNDATION ALUMNI: TROPINGO FARMS: THE GAMBIA

Momarr Mass Taal is a Tony Elumelu Foundation (TEF) entrepreneur, and is the founder and managing director of Tropingo Foods, currently the largest processor and exporter of processed foods in The Gambia since 2014. The firm processes and exports dried mangoes and groundnut from The Gambia to various countries, including China, the Kingdom of the Netherlands, Nigeria and Senegal. It has over 140 employees (including 120 women) and has a turnover of USD 1.6 million.

When Momarr Mass Taal applied for TEF seed funding in January 2015, Tropingo Foods had not yet been registered as a business. Development Bank. (also available at Sudan - Enable Youth Program - IPR October 2020)., Athar (Athar: Startup Accelerator Program for Upper Egypt (athareg.com), July 2021), Timbali (TAA (Tropical Agriculture Association) 2019. Ag4Dev. Special Issue on Agribusiness Incubation in Africa. Wigtownshire, United Kingdom, (also available at [https://taa.org.uk/wp-content/uploads/2019/12/Ag4Dev38\\_web\\_version.pdf](https://taa.org.uk/wp-content/uploads/2019/12/Ag4Dev38_web_version.pdf)) This only happened after the conclusion of TEF's 12-week training programme, when it gained traction. Eighteen months later in June 2016, Momarr Maas Taal was listed in *Forbes'* annual "Africa's 30 under 30" list. He attributes much of his success to the business development training, aspirational value and international credibility from being a TEF graduate. When Momarr Mass Taal was able to raise funding from the World Bank to partly finance his equipment, he accredited his success to the quality of his proposal, which he had learned during the TEF programme.



Source: TEL (Tony Elumelu Foundation). TEL. Lagos. Cited on 1 December 2022. [www.tonyelumelufoundation.org/extp-location/gambia](http://www.tonyelumelufoundation.org/extp-location/gambia)

**TABLE 6: IMPACT OF THE INCUBATORS AND ESOS**

INCUBATOR OR ESO	IMPACT
<b>blueMoon</b>	<ul style="list-style-type: none"> <li>• 90 companies incubated</li> <li>• 300 entrepreneurs trained since 2017</li> <li>• Over USD 1 million raised as capital for start-ups by end of 2020</li> </ul>
<b>Wenovation Hub</b>	<ul style="list-style-type: none"> <li>• 450 start-up teams incubated</li> <li>• 12 500 youth trained</li> <li>• 3 000 plus jobs created by start-ups</li> <li>• USD 7 million plus raised directly by start-ups</li> <li>• USD 1.6 billion raised by start-ups in follow-on funding</li> </ul>
<b>TEF</b>	<ul style="list-style-type: none"> <li>• 15 847 entrepreneurs from 54 countries trained by 2021</li> <li>• 30 percent of those trained were agricultural entrepreneurs</li> <li>• USD 80 million invested as seed capital to support businesses</li> <li>• 409 000 new jobs created across the continent</li> <li>• USD 4 million worth transactions recorded as a result of TEF Connect)</li> </ul>
<b>Athar</b>	<ul style="list-style-type: none"> <li>• 41 start-ups supported</li> <li>• 500 jobs created</li> </ul>
<b>MASDT</b>	<ul style="list-style-type: none"> <li>• 935 SMEs supported</li> <li>• 1 850 jobs created</li> <li>• Collective turnover of clients USD 6.6 million (2011–2020)</li> </ul>
<b>Timbali</b>	<ul style="list-style-type: none"> <li>• 258 smallholder farmers supported raising over ZAR 228 million in infrastructure, support services and loan financing</li> <li>• Seda Funded: 105 SMEs supported and created 80 jobs (2017/18)</li> <li>• Jobs Fund: 439 farmers supported; 361 permanent jobs created (2017/18)</li> </ul>
<b>Raizcorp</b>	<ul style="list-style-type: none"> <li>• 13 Incubators in 4 countries</li> <li>• 3 000 entrepreneurs served annually</li> <li>• 14 000 businesses graduated to date</li> <li>• 80 agribusinesses launched since 2019 by Raizcorp entrepreneurs</li> <li>• 30 Agribusinesses brought to scale</li> <li>• USD 20 million estimated value of agribusinesses supported</li> </ul>
<b>IITA Youth Agripreneurs</b>	<ul style="list-style-type: none"> <li>• 7 000 plus youth trained in 20 countries</li> <li>• 127 agribusiness enterprises created (CGIAR)</li> </ul>
<b>CURAD</b>	<ul style="list-style-type: none"> <li>• 15 560 farmers and beneficiaries impacted</li> <li>• 374 SMEs supported</li> <li>• 3 930 jobs created since 2011</li> <li>• USD 500 000 provided in direct support to entrepreneurs</li> </ul>
<b>RUFORUM RECAP</b>	<ul style="list-style-type: none"> <li>• 19 Agribusiness Incubation Hubs operational</li> <li>• 575 students trained in agripreneurship</li> <li>• 120 student-led enterprises established (30 transitioned to outside university premises)</li> <li>• 947 jobs created</li> </ul>
<b>ENABLE Youth (Sudan)</b>	<ul style="list-style-type: none"> <li>• 700 graduates trained and 1 000 enrolled in incubation</li> <li>• 400 youth agribusinesses financed and 550 business plans underway</li> <li>• 98 agribusinesses and 588 jobs created in 2020</li> </ul>

Source: Figures shared and validated by Raizcorp, RUFORUM, Wenovation Hub, CURAD and AAIN. For others, information was compiled through available public documents. blueMoon (UN Technology Bank for LDCs 2021), TEF Cited 1 November 2021, EAAP (ATA website and WEF, 2020), MASDT website, 2SCALE (Highlights, 2018), ENABLE Youth (AfDB, 2020/21), Athar website (Cited 1 July 2021), Timbali (TAA, 2019 and Timbali websites, Cited 1 July 2021).

**TABLE 6: IMPACT OF THE INCUBATORS AND ESOS**

INCUBATOR OR ESO	IMPACT
2Scale (Phase 1: 2012–2018)	<ul style="list-style-type: none"> <li>• 627 422 farmers supported (36 percent women)</li> <li>• 52 ABCs established in nine African countries</li> <li>• 1 891 businesses (mostly SMEs) and 2 535 cooperatives supported</li> <li>• USD 60 million plus mobilized in private investments to support the upgrade and strengthening of value chains</li> </ul>
EAAP	<ul style="list-style-type: none"> <li>• 21 honey and wax processing businesses incubated and accelerated</li> <li>• 6 500 beekeepers engaged in contract farming initiative</li> <li>• USD 1.3 million (ETB 63 million) leveraged for enterprises through loan or lease financing</li> <li>• 2 labs supported to strengthen capacities on honey quality testing accreditation in Ethiopia.</li> <li>• Over USD 25 million mobilized in support of developing the sector</li> </ul>
AAIN	<ul style="list-style-type: none"> <li>• 313 incubators registered with AAIN from 48 African countries</li> <li>• 319 small-scale incubator hubs established</li> <li>• 520 incubator management experts trained</li> <li>• 4 500 enterprises assisted to access local and international markets</li> </ul>

**BOX 4: AN EARLY STAGE START-UP, INCUBATED BY THE ETHIOPIAN AGRIBUSINESS ACCELERATION PLATFORM: LAL HONEY**

Lal Honey was launched in 2017 by Seble Mekonnen, an ambitious female entrepreneur whose family was already involved in the agribusiness sector. She recognized the potential of developing a high-end brand that promotes the diversity of Ethiopian honey. Lal Honey was fortunate to have the support, in part, of the family business, which meant that its initial business capital requirements were met with relative ease. At the growth stage, when additional investment was necessary, Lal Honey was able to receive the support of the Ethiopian Agribusiness Acceleration Platform (EAAP) in financial management. While Lal Honey initially considered its technical and processing knowledge was due to the EAAP programme, it now recognizes that the most important support received was the mentoring and the individually tailored business skills training.

Lal Honey has a full-time team of six employees and is seeking to expand its market within Ethiopia. It has found EAAP to be a significant contributor to its current business success and has some concern about the next stages and whether or not EAAP or its successor will be able to continue to provide the support Lal Honey calls for.

Source: Authors' own elaboration.

**BOX 5: WHY HONEY AND BEESWAX VALUE CHAINS?**

[The] “Ethiopian Agribusiness Accelerator Platform (EAAP) was established to test and validate the agribusiness incubator and accelerator concept for Ethiopia focusing on beekeeping. The initial focus on honey and wax value chain is because of agro-ecological strengths, strong existing demand, high degree of investment attractiveness, strong government support, and other parallel investments that create opportunities for significant leverage.”

Source: ATA (Ethiopian Agricultural Transformation Agency) 2018. *Ethiopian Agribusiness Acceleration Platform (EAAP): An Introduction*, available on [www.ata.gov.et/wp-content/uploads/2018/06/EAAP-Overview.pdf](http://www.ata.gov.et/wp-content/uploads/2018/06/EAAP-Overview.pdf)

## 6.2 Key success factors

Despite the challenges in drawing a robust comparative analysis of business models due to the dearth of information, the study team was able to come up with various common characterizations regarding those incubators and incubation programmes in the region that have gained success. These are summarized below:

1. **A clear business model and a value proposition that is developed around a viable agribusiness incubation opportunity is able to sustain the activities of the incubator over the long term.** A viable business incubation opportunity can exist in a value chain or sector that is either significant to the economy or a sector that is struggling to survive (South Africa, 2019). Timbali and CURAD have specialized high-potential value chains: flowers and vegetables in the case of Timbali; coffee, fruits and horticulture in the case of CURAD. While there is a clear strategic and viable incubation opportunity at EAAP, the sustainability of its business model remains unclear. As the experience from other incubators in the region shows, a three-year project intervention is too short to enable an incubator to reach maturity.
2. **Most of the for-profit and professionally managed incubators (CURAD, MASDT, Raizcorp, Timbali and Wennovation Hub) were established and operated by people experienced in operating a successful business or incubation programme.** The business and management experience of the founders and the management team plays an important role in adopting a more business-oriented approach to the strategy, management and operations of the incubator.
3. **Diverse revenue streams and consistent programme funding:** Some of the most successful incubators (Raizcorp, Wennovation Hub, CURAD, Timbali, MASDT) have multiple sources of revenue; are

recognized as credible providers of business incubation services, with a secure funding base – either through government programmes (MASDT, Timbali) or through fee-based services paid by the incubatees (CURAD, Raizcorp, Wennovation Hub).

4. **The most successful incubation programmes and incubators applied multiple incubatee scouting approaches (e.g. innovation contests, calls for applications and boot camps), with clear eligibility criteria and rigorous selection procedures to ensure that the “most bankable” incubatees are selected.** While a rigorous selection procedure alone does not determine a 100 percent success rate, it does, however, reduce the risk of dropouts, thus ensuring a maximum incubatee retention rate throughout and beyond the programme.
5. **Some of the longest running incubation programmes (a relative indicator of incubator success and sustainability) are those of CURAD, MASDT and Timbali, which have tried and tested incubation methodologies and processes that encompasses the stages of pre-incubation, incubation and graduation.** Agribusiness incubators provide longer-term incubation support to ensure gradual and adaptive capacity building of their incubatees across the harvest and market cycles. They also provide hands-on and practical training on specific value chains, value addition and processing – a “must have” feature for agribusiness incubators compared to the traditional business incubator.
6. **Similarly, the most successful incubators apply a strong ecosystems approach, collaborating with the ESOs that make up the agribusiness incubation ecosystem.** CURAD’s collaboration with the government, academia and industry is testimony to the leveraging of various mandates and expertise to enable it to provide a comprehensive set of incubation services to its incubatees. Similarly, Timbali collaborates and engages with a number of partners, including Seda, MEGA, Jobs Fund, various European Union

development partners and financial institutions (e.g. Standard Bank), among others, to generate and sustain the necessary financial support to deliver its incubation programme. The same is true for MASDT, which has a consistent stream of partners and sponsors, including Seda, Standard Bank, Eskom Development Foundation and Agri SA, the largest federation of agricultural organizations in South Africa, which also hosts MASDT's office in Pretoria.

7. **Finally, some of the incubators in the study considered to be the most successful, also measure, document and report their success stories.** While this practice, in general, is a weakness across most incubators and incubation programmes, MASDT and Timbali are supported by Seda, which has a prerequisite to collect and report on key performance indicators; for example, newly created SMEs, supported SMEs, creation of jobs and collective turnover of clients, among others. Raizcorp, in contrast, has a full section on its website that is dedicated to its Entrepreneur Success Stories, which showcases personal testimonies of how the incubation programme has supported the growth and profitability of graduates' businesses.

### 6.3 Key challenges

Data from other regions of the world indicate that business incubation enjoys significant public-sector support in many developed economies, owing to the nurturing of enterprises that have undergone incubation and their consequent survival. For instance, EU-BIC (2020) indicates that within their third year following incubator support, the survival rate of businesses is as high as 86 percent. Placing these figures into context, approximately 60 percent of new businesses fail within the first three years, which presents a clear rationale to scale up incubation support.

However, Agribusiness incubators and ESOs in Africa continue to face significant challenges, which in turn poses limitations on their scale, survival and sustainability. The key challenges faced by the agribusiness incubators and ESOs engaged in incubation are summarized below.

1. **Few countries in Africa have policies, strategies or dedicated incubation support programmes.** There have been many examples of government and donor-

"Incubation is not new, but it is a largely novel concept to most key senior government officials and development partners. This creates a big gap in support to incubators as those who need to support them hardly understand the concept and what it is about. Incubation is a social business that still requires a lot of support from governments and development partners across the region in order to effectively offer the services to a wider portion of the population". (TAA, 2019).

**Apollo Segawa,  
Managing Director, CURAD**

funded initiatives that focused on multiplication of incubation programmes and incubators with no coordination or consistency with the overall economic strategy. Thus, the potential of agribusiness incubators and incubation programmes in Africa remains unexploited. There is a need for strategic regional and national agribusiness incubation programmes to scale-up the economic impact of the agribusiness incubators in Africa. South Africa is an exception, offering several state-run initiatives that assist the expansion of incubation programmes, either through financing or through the provision of technical assistance. It is the only country in the region with an incubation policy (Seda, 2018) and a well-established Incubation Support Programme – an initiative of South Africa's Department of Trade and Industry that co-funds new incubators in partnership with the private sector, as well as helping to expand existing incubators.

2. **Lack of financial support for agribusiness incubators to support them to reach operational and financial maturity.** Agribusiness incubators are different from sector-agnostic business incubators and require significant financial investments in establishing critical production and processing facilities and infrastructures. There is often a tendency to establish business incubators through government or donor-funded projects lasting a couple of years, with the expectation that they would be able to operate self-sustainability once the donor or government funding ceases. Unlike general business incubators, agribusiness incubators often require much longer incubation cycles. For example, two of the longest



running incubators in the region, Timbali and MASDT – both from South Africa, run a very comprehensive one year pre-incubation and a one-year incubation programme. This allows the incubatees to harness their technical and entrepreneurial skills across various harvest and market cycles – a feature unique to the agriculture sector. Thus, achieving full-sustainability, even for commercially oriented incubators is challenging, and if at all, cannot be attained in less than five years (Hjortsø, Alexander, and Hernandez Chea, 2017). This is the reason why even in the most developed countries, incubators continue to be established and supported by public funding. Development partners and government funded incubators should support the incubator reach maturity. They should also ensure resource commitments for a minimum of five years and offer clear exit and sustainability strategies for medium to long-term funding.

3. **Lack of understanding of establishing and managing agribusiness incubators both at policy and technical levels.** Unlike sector-agnostic business incubators, agribusiness incubators often have more complex governance structures and service delivery modalities. Incubator set-up, staffing, and refining the business strategies and models take time, planning and adaptive learning. Thus, clear policies and guidelines for incubator management teams and staff during the formative stages of the incubator is critical for the long-term success. The experience of the UNIBRAIN incubator showed that lack of experience in setting up and staffing of incubators led to a delay of approximately two years. Many of the existing agribusiness incubation training manuals and documents in the region date back to 2012, when the incubator ecosystem was only just starting to pick-up in Africa. There is a clear need for new, updated and more interactive agribusiness incubation management manuals and training courses, that incorporate more recent experiences on agribusiness incubation from the region. South-South and Triangular Cooperation exchanges both within and outside the region, also provides opportunities for incubator managers and policy makers to learn and adapt the best practices.
4. **Inadequate analysis of needs and market-based approach to establishing incubators.** Given that establishing agribusiness incubators is an expensive endeavour, investment in new incubators should be based on a viable “agribusiness incubation opportunity”. A viable incubation opportunity requires a critical mass and a sizeable number of agricultural SMAEs.

“In 2013, we had 31 people who were previously mentors for government or quasi government incubation programmes applying for a guiding (mentoring) position. Only two out of 31 could work out the net profit of the case study. That’s 6.5 percent of the people applying, who were currently in a position of training entrepreneurs, could work out net profit. This is a disaster.” (Raiz, 2017)

**Allon Raiz,**  
**CEO Raizcorp**

As a rule, according to the World Bank, around 20 incubatees at any given time can provide an incubator with this opportunity. A feasibility study and business plan that clearly articulates a long-term strategy should precede the establishment of an incubator. An agribusiness incubator can be a “nursery” for struggling SMEs in significant agricultural value-chains for the economy. With the necessary production and value chain infrastructures, setting up agribusiness incubators around strategic value chains (e.g. rice, cassava, coffee, cocoa, fruits, horticulture, etc.) can play a key role in supporting a critical mass of agri-SMEs, which can support the upgrading and development of these critical value chains.

5. **Developing sustainable incubatee funding strategy remains a challenge for most incubators.** Incubatee funding depends on “right-sized” funding for agri-SMEs, particularly in Africa, where funding typically is in the range of USD 50 000 and USD 1 million – with most below USD 250 000 (AgriProFocus, ICCO Cooperation and Rabobank Foundation, 2018). For example, the initial capital investment range of Seedstars Africa Venture ranges between USD 250 000 and USD 2 million. As a result, agri-SMEs are often ineligible for such funding opportunities. Thus, collaboration with national and regional financial institutions to develop “right-sized” funding for agri-SME incubatees is critical to developing a vibrant incubation ecosystem.
6. **There is limited availability of incubatee success stories, and those that are available are often scattered across various sources, including articles, newsletters, annual reports**

“There is a need for micro-funding to support early-stage SMEs under incubation, so that they can eventually grow to meet the million-dollar funding minimum. Only an incubator can provide this kind of micro support effectively.

Such funding is also looking to support the entrepreneurs, rather than including support to the incubation system that produces them. Governments and development partners need to understand that without the system that nurtures SMEs, there would be a lot less SMEs for them to support, thus the need to support incubators.” (TAA, 2019).

**Apollo Segawa,  
Managing Director, CURAD**

and social media, among other channels. Few incubator and ESO websites offer a dedicated section on incubatees; and even if they do, not all share the impacts of their start-ups. Policymakers, funders and other development partners should also play a key role in strengthening the documentation of incubation models. There should be more rigorous reporting requirements of initiatives that are publicly funded, as well as incentives to encourage documentation and the sharing of business models and results (e.g. access to grants for incubation programmes, technical support and assistance for raising awareness and knowledge).

## 6.4 Recommendations

The recommendations, below, primarily target policymakers, development partners and financial intermediaries seeking to maximize the impact of agribusiness incubation and acceleration programmes in Africa.

**Support: R1: Improve policies, frameworks and guidelines in order to create an enabling environment and ecosystem for agribusiness incubation and acceleration in Africa.**

Agribusiness incubators and accelerators are more impactful when they are integrated and developed within the broader agricultural development

frameworks and programmes, both at country and regional levels. Incubators can be an ideal place to nurture high-potential value chains and agri-SMEs that are struggling to take off and thrive.

- Establish mechanisms for dialogue and exchange between policymakers and incubators and accelerators to reduce the gap between policy and practice of agribusiness incubation (e.g. policy roundtables, study tours, working groups).
- Develop incubation policies and guidance documents to provide a coordinated and coherent approach to establishing, and funding business incubators (e.g. Seda’s incubation policy and the Government of South Africa’s handbook (GovSA, 2014).
- Undertake further research and analysis into agribusiness entrepreneurship and incubation ecosystems in Africa. Comparative research into countries with the highest numbers of ESOs (e.g. Egypt, Ghana, Kenya, Morocco, Nigeria, South Africa and Uganda) and those with the lowest numbers (francophone West Africa and Central Africa) can contribute valuable policy insight at the national and regional levels.
- Increase government investment in connectivity and digital and physical infrastructure to strengthen Africa’s digital ecosystems to leverage the potential of agritech.

**Strategy: R2: Adopt a strategic approach to establishing agribusiness incubators as a structured and integrated mechanism for SMAE development and new enterprise creation for agrifood transformation in Africa.**

Setting up agribusiness incubators around strategic value chains (e.g. such as rice, legumes, maize, cassava, fishery products, etc. identified in the 2006 AU Summit on Food Security in Africa), with the necessary production and value chain infrastructures can play a key role in supporting a critical mass of SMAEs that can support upgrading and development of these critical value chains to leverage the potential offered by the new AfCFTA.

- Include feasibility studies and business plans as prerequisites to establish new incubators and accelerators.
- Governments and development partners must adopt a long-term approach when establishing new incubators, with resource commitments over

a minimum period of five years and with clear sustainability strategies for medium- to long-term funding to support incubators to reach maturity.

- Prioritize the establishment of new incubators in geographic areas (francophone West Africa and Central Africa, parts of North Africa) and value chain segments (processing and value addition) that are lagging.

**Support: R3: Establish incubation support programmes to provide financial and technical support to help sustainability-oriented agribusiness incubators to take them to maturity.**

Governments and development partners should consider realistic expectations of time, cost and capacity required when establishing new agribusiness incubators. Agribusiness incubation support programmes should be strategically designed to reduce the time it takes for the incubator to reach maturity. The time taken to establish an incubator during its formative stage can be shortened with clear policy guidelines and incubation management training for key personnel. Exposure visits to other incubators in Africa as well as from other regions can also contribute to the incubators learning from good practices and gaining knowledge from the pitfalls of others.

- Provide financial grants for funding-co-funding the establishment and scaling up of agribusiness incubators – with support ranging over a minimum number of years (e.g. South Africa’s Incubation Support Programme).
- Provide funding or training programmes for incubator managers and key personnel on agribusiness incubator establishment and management (design, set-up, management processes funding and revenue generating strategies, etc.).
- Use existing incubators as service providers (i.e. complementary revenue stream for incubators) to deliver and implement national agricultural training, entrepreneurship and enterprise development programmes that are funded by governments and development partners.
- Collaborate with national, regional and international financial institutions to develop financial products and services, tailored to the specific needs of the agribusinesses incubators for developing a sustainable incubatee financing strategy for the SMAEs supported by an incubator.

- Support professionalization of incubator management through due-diligence and certification (e.g. AAIN) as an eligibility criterion for continued access to public funding and support.

**Evidence: R4: Promote systematic documentation and the sharing of knowledge and best practices on agribusiness incubator establishment, sustainability strategies and their impacts.**

Lack of clear terminology, business models and performance benchmarks of agribusiness incubators make comparative analysis and drawing best practices significantly challenging. Policymakers, funders and other development partners should also play a key role in strengthening the documentation of incubation models.

- Establish an Africa-specific, “light” agribusiness benchmarking framework that outlines a common set of definitions, service and quality standards and performance metrics.
- Provide incentives and more robust requirements for regular documentation and sharing of knowledge, impact and lessons learned (e.g. access to grant funding contingent upon monitoring and evaluation, and reporting) from agribusiness incubation programmes.
- Organize South–South and North–South exchanges to learn from agribusiness incubation best practices and experience from other regions on incubator establishment and sustainability strategies and benchmarking frameworks.
- Organize fora and knowledge sharing events to share agribusiness incubation experiences from the region and showcase success stories and provide recognition for high-performing agribusiness incubators (e.g. “Best Agribusiness Incubator Award”, etc.).

**Networking: R5: Strengthen networking partnerships and collaboration among the ESOs and incubators and accelerators in the region.**

Cross-collaboration among incubators and accelerators demonstrates a strong and tangible benefit in terms of peer-to-peer learning, knowledge exchange and programme scale up. Defined ecosystems services, partnerships and networking systems are identified by AAIN as one of the key parameters for successful business incubators (TAA, 2019).

- Develop an online platform that provides a collaboration and networking space for incubators and accelerators from the region. The recommendation is not to establish a completely new platform but rather to build on existing platforms and networks (e.g. AAIN).
- Promote practical collaboration opportunities for incubators and ESO to co-create agribusiness incubation knowledge and capacity building material (e.g. agribusiness incubation benchmarking framework, updated training material or courses on agribusiness incubation management, study tours and learning exchanges among incubators, etc.).
- Work with ESOs (universities, incubators, industry) to modernize the agricultural curriculum and develop practical and applied training programmes in relation to specific agricultural value chains, agroprocessing, food technology, food safety, quality, nutrition and agritech.
- Collaborate with universities to redesign agriculture-focused degree programmes to include agritech and enhance training programmes in advanced IT coding.

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# ANNEX

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# ETHIOPIA

## blueMoon INCUBATOR

“Once in a blueMoon, exceptional ideas turn into great companies that change the world”

- Established: **2017**
- Nature: **Private (for-profit)**
- Sector: **Agriculture**
- Website: **Click here**

### TARGET CLIENTS

- Ethiopian youth (15–29 years).

### STAGE OF SUPPORT

- Early-stage start-ups.

### APPLICATION AND SELECTION

- Target acceptance rate (1%).
- Team of at least 2 founders.
- Ability to participate daily in a full-time incubation programme.
- Online application followed by four rounds of screening:
  - Round 1: Screening for basic eligibility criteria.
  - Round 2: Evaluation of quality of content, team founders.
  - Round 3: Phone interview.
  - Round 4: Game Day (1 day evaluation of all the prospective teams in an outdoors setting).

### FUNDING AND REVENUE

- Initial funding from Mastercard Foundation.
- Grants (DANIDA USD 1 million) and partner-supported programmes (e.g. Social Enterprise Challenge through the Embassy of Australia).
- Revenue generated from equity investments (10% equity).
- Renting of co-working spaces and facilities.
- Fee-based services to start-ups.

### MANAGEMENT TEAM

- Founder and CEO.
- Chief Rainmaker.
- Incubator Coordinator.
- Cooperate Strategy Lead.
- Finance Manager.
- Curator.

## Goal

Discover, nurture and fund out-of-the-box, disruptive, innovative, scalable and potentially transformational agribusiness ideas from Ethiopian youth.

## Introduction

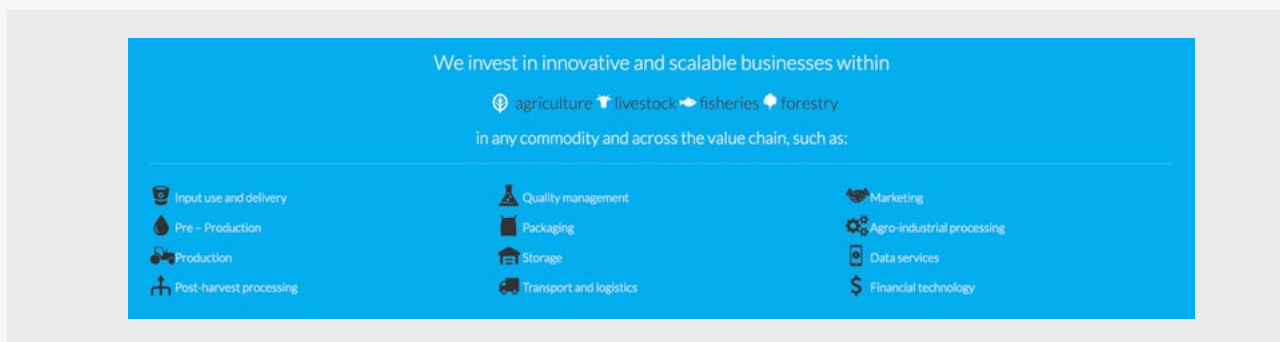
Based in the Ethiopian capital city of Addis Ababa, blueMoon is the country's first youth agribusiness incubator. It runs a biannual national competition to scout potential entrepreneurs, usually accepting a limited number of start-ups (5–10) into a 4-month on-site incubation programme.

### 1 Pre-incubation and incubation programme:

- **Coaching:** An in-house team supports entrepreneurs to transition from a great idea to an investable business.
- **Addis Garage** - Co-working space and facilities: Addis Garage houses blueMoon but is also open to any start-ups in any sector. Space can be rented on a daily, weekly or monthly basis.
- **Business support services:** Low-cost or deferred payment modularized support services in legal, branding, web design, IT-enabling, accounting, admin and prototyping.
- **Business and life skills training:** Business modelling, financial and risk management, marketing, human resources, taxation, legal, team building, leadership, ethics, accountability, etc.
- **Monthly “Lion” lunches:** blueMoon Lions are successful agribusiness CEOs who provide inspiration, feedback and guidance to the start-ups through monthly meetups.

### 2 Access to finance:

- **Seed funding** based on a 10-10-1 model: investments



Source: <https://www.bluemoonethiopia.com/>

of USD 10 000 in each start-up for a return for 10 percent equity. Own investments of USD 1 000 required.

- **Lion’s Den:** [One-off event](#) with prospective investors (blueMoon Lions who are successful agribusiness CEOs) following completion of the 4-month incubation period.
- **Angel investors:** access and linkages to domestic angel investors network of [blueMoon Angels](#).
- **Crowd funding:** through the online platform [blueMoon Crowd](#), where start-ups can get equity financing from anyone, anywhere in the world.

### 3 Post-incubation support

- **Mentoring:** One-on-one mentoring support with business professionals for one year.
- **blueMoon** has a mentoring collaboration programme with [Mowgli Mentoring](#), a UK-based internationally accredited mentoring programme with 13 years of experience delivering over 135 mentoring programmes across the Middle East, Africa and the United Kingdom.
- **Mentors** are recruited through [Call for Mentors](#), and are matched with mentees through a “Mentor Mesh” event.

## Key success factors

- Profit-oriented and run by a dynamic team with strong business and management expertise. The founder and CEO [Eleni Gabre-Madhin](#) of blueMoon served as the CEO of the Ethiopia Commodity Exchange (ECX), and brings over 25 years of experience in the agriculture sector.
- Multiple funding streams and strong links to domestic investors.

## Challenges and weaknesses

- Limited information on start-up and entrepreneur success-stories/testimonies.
- The services and skills training provided by blueMoon does not indicate agriculture-sector specific trainings.

## More information

- YouTube [video](#) about blueMoon.
- blueMoon on [Twitter](#).
- blueMoon on [Facebook](#).

## RESULTS

90

Companies Incubated.

300

Entrepreneurs trained.

USD 1 million

raised as capital for start-ups.

Source: UN Technology Bank for LDCs (2021).

## SOUTH AFRICA

### RAIZCORP

“Raizcorp is obsessed with entrepreneurs and entrepreneurship”

- Established: **2000**
- Nature: **Private (for-profit)**
- Sector: **Multi-sector**
- Website: **Click here**

#### TARGET CLIENTS

- Entrepreneurs.
- Corporate businesses.
- Governments, development partners and financial institutions (DFIS).

#### STAGE OF SUPPORT

- Start-ups (those with a business idea).
- Growth-oriented businesses (existing business).

#### APPLICATION and SELECTION

- Receives about 100 applications per day. Only 1% of applicants accepted to programmes.
- Often requires that businesses be at least 51% black owned.
- Each entrepreneur goes through a rigorous 8-step selection process. The evaluation is focused on entrepreneurial spirit and commitment to select those with a [Blue Heart](#).
- No degree or diploma required. In 2019, only 1 of 5 of applicants had a degree or a diploma.

#### FUNDING AND REVENUE SOURCES

- Returns from equity (40%).
- Services to corporates (fees) (40%).
- Consulting services and projects.

Source: [Chase and Webb 2018](#).

#### MANAGEMENT TEAM

- Managed by a successful entrepreneur.
- Over 174 full-time staff.
- Staff goes through 4-year Certified Training Programme “Entrepreneurial Guide”.
- Each incubator comprised of a manager and 3-5 guides.

### Goal

Create, support and scale entrepreneurs and entrepreneurial ecosystems. Raizcorp’s purpose is to accelerate the success of entrepreneurs.

### Introduction

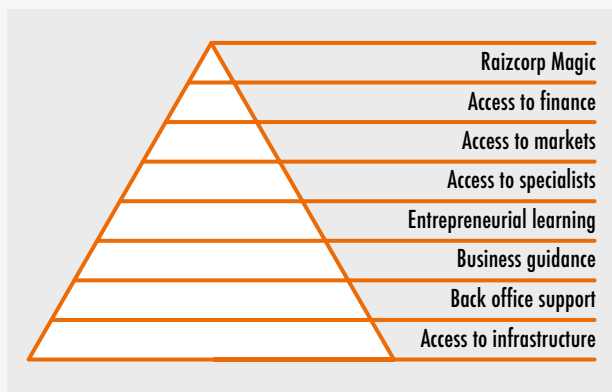
Raizcorp was established by Allon Raiz and is considered one of Africa’s most successful business incubator. It supports over 500+ entrepreneurs and was heralded by the [The Economist](#) as the “only genuine incubator in Africa, profitable without grant funding.” Raizcorp operates 13 **Prosperators** (incubators) and **Beacons** (mini incubators) in five African countries (Angola, Mozambique, South Africa, United Republic of Tanzania and Zimbabwe). Raizcorp is planning to expand to other countries including Botswana, Cote d’Ivoire, Ghana, Kenya, Namibia, Nigeria, Rwanda, Senegal and Uganda).

Delivery channels can include a ‘**Prosperator**’ incubation centre with a full team, **Distance model-Beacon model** (with limited infrastructure but including access to local training by the local team members and Skype guiding (mentorship), **Mobile model** (traveling by vehicle to the entrepreneurs, which is mainly used in the agricultural sector) and **Digital model** (online training).

Raizcorp does not have a one-size-fit-all model, but rather provides a tailored model/service to each of its clients, depending on need as below:

#### 1 Entrepreneurs

- Entrepreneurs with an existing business can apply for a sponsored programme [catalogue](#). Entrepreneurs who have a business idea can apply through the website [application](#) form.
- Selected entrepreneurs are provided a continuum of services from pre-incubation, incubation and acceleration, including access to training,



Source: Raizcorp Website.

specialists, finance, back office support, business guidance and access to infrastructure.

- Equity Funding: Provides equity-investment partnerships to high-potential Partner Elite Entrepreneurs for a 33.3 percent stake. Raizcorp charges a small fee for their services, but only makes money once the business becomes profitable.

## 2 Business Support

- Partners and provides support to over 100 blue-chip companies.
- Supports corporations in building an entrepreneurial culture, client acquisition and thought leadership, development of entrepreneurial programmes, organizing talks and workshops.

## 3 Government and development financial institutions

- Provides consulting services to governments and development partners on entrepreneurship policy and delivery of entrepreneurial development programmes.
- Supports construction of innovation hubs and incubators.

## Key success factors

- Founded and operated by a successful entrepreneur.
- Rigorous selection process and working with a small number of high-potential entrepreneurs.
- Strong business model, and continuous scouting of growth-oriented businesses with a minimum monthly turnover (in most cases between R 10 000 – R 15 000).
- Incubator with a successful and established track-record of 20+ years incubating and accelerating businesses.

## Challenges and weaknesses

- The planned expansion to other countries in the region, and adaptation of its model to the countries, in particular to the agrifood sector would be an interesting development to follow.

## More information

- The Raizcorp Story ([video](#)) and success stories ([video](#)).
- Raizcorp selection process (YouTube [video](#)).
- Raizcorp on [Twitter](#).
- Raizcorp on [Facebook](#).

## RESULTS

**3 000**

Entrepreneurs supported annually.

**14 000**

Businesses graduated.

**80**

Agribusinesses launched by Raizcorp entrepreneurs in 2019.

**30**

Agribusinesses brought to scale in 2019.

**USD 20 million**

value of agribusinesses launched / supported.

Source: Raizcorp.

# NIGERIA

## WENNOVATION HUB

“Empowering African entrepreneurs, building commercially viable businesses”

- Established: **2010**
- Nature: **Private (for-profit social hybrid)**
- Sector: **Multi-sector**
- Website: **Click here**

### TARGET CLIENTS

- Youth (16–35 years).
- Early-stage female entrepreneurs (16–40 years) - *Ideas to Business* pre-incubation programme.

### STAGE OF SUPPORT

- Early-stage entrepreneurs.
- Existing businesses.

### APPLICATION and SELECTION

- Interested participants can apply online throughout the year.
- Wennovation Hub normally reaches out to companies within eight weeks of application.
- Applicant review criteria include team competence, viability of idea, innovation, market and scalability.

### FUNDING AND REVENUE SOURCES

- Funding from LoftyInc Ltd Platform (founder).
- Fees for use of facilities, services and events (contributed to about 45% of revenue in 2020).
- Donor and government funded programmes.
- Consulting projects.
- Equity (10%) in high-growth businesses.

### MANAGEMENT TEAM

- Executive Director.
- Lead Strategists.
- Director, International Business.
- Programme Director.
- National Business Manager.
- Programmes Manager (Lagos, Abuja and Ibadan Hubs).

## Goal

To inspire and empower African entrepreneurs to solve immediate socio-economic challenges by leveraging technology, resources and collaborative networking.

## Introduction

Wennovation Hub is Nigeria’s first privately run incubator and accelerator co-founded by the dynamic Nigerian entrepreneurs Wole Odetayo, [Michael Oluwagbemi](#), [Idris Ayo Bello](#) and Dami Agboola. It is a partnership between the [LoftyInc Allied Partners](#) and [Africa Leadership Forum \(ALF\)](#). Loftyinc provides the operating budget and staff, while ALF provides the space and facilities. The focus areas of Wennovation Hub are agriculture, healthcare, education, clean energy and social infrastructure. Services offered by Wennovation are:

### 1 Co-workspace

- Access to state-of-the-art co-working facilities, with fast and reliable 24/7 broadband connections and facilities. Offers spacious and digitized conference and meeting rooms.
- Its co-workspaces are structured to drive innovation and leverages a vibrant community to enhance collaboration and networking of emerging ideas across various sectors.
- Wennovation has three main hubs, focusing on different areas:
  - Ibadan Hub (agriculture).
  - Abuja Hub (public service delivery–education and social impact sectors):
  - Lagos Hub (school or university-based programmes)

## 2 Research and consulting

- Helps start-ups, NGOs and multinational corporations to undertake market research and funding initiatives and offers business consulting services to overcome business challenges.

## 3 Training and investment readiness programmes

- On-demand training programmes to fill technical skills gaps.
- Biannual technical bootcamps with venture capitalists for start-ups to prepare them for investments. Most entrepreneurs go from idea to funding in six months.

## 4 Facilitating access to finance

- Pitching and networking opportunities with investors and funding for start-ups. The founders of LoftyInc Capital Management – one of the largest venture capital firms in Africa – are also the founders of Wennovation Hub.

## 5 Ecosystems building

- Connects start-ups with a rich network of government, business, social impact businesses, universities and development partners to enable entrepreneurs to turn their ideas into viable businesses. Examples include First City Merchant Bank (FCMB) – Wennovation Hub Agri-Tech four-week Incubation Programme. Afrilabs sponsored Ideas to Business (Female Entrepreneurs) supporting 50 female entrepreneurs through a 4-month pre-incubation programme.

## Key success factors

- Young, educated and highly experienced team of founding members, with strong entrepreneurial and business background.
- Strong business model, combining for-profit model to develop and fund high-potential businesses and non-profit model to train social entrepreneurs.
- Ecosystems of partners and extensive network of business experts, investors and strong partnerships (universities, government, development partners, other incubators and networks such as Afrilabs).

## Challenges and weaknesses

- IT expertise remains a key challenge and Wennovation started its own coding school to address this challenge.
- Operational costs of the Hubs, while manageable remain a concern, particularly following COVI-19 pandemic.

## More information

- Documentary on LoftyInc and Wennovation journey ([video](#)).
- Wennovation Hub Agritech Incubation ([video](#)).
- Wennovation on [Twitter](#).
- Wennovation on [Facebook](#).

### RESULTS

**450**

Start-up teams incubated.

**12 500**

Youths trained.

**3 000+**

Jobs created by start-ups.

**USD 15**

**million+**  
raised directly by start-ups.

Source: Wennovation Hub (2021).



# NIGERIA

## TONY ELUMELU FOUNDATION ENTREPRENEURSHIP PROGRAMME

“We are vested in transformation of entrepreneurship in Africa to shape the continent’s next generation”

- Established: **2015**
- Nature: **Private (not-for-profit)**
- Sector: **Multi-sector**
- Website: **[Click here](#)**

### TARGET CLIENTS

- Programme open to any African above 18-years of age.

### STAGE OF SUPPORT

- Early-stage entrepreneurs.
- Existing businesses that have been operational for five years or less.

### APPLICATION and SELECTION

- Online annual calls for applications (open for three months).
- There are 1 000 places available annually. Applications are reviewed by Accenture and ultimately selected by the selection committee.
- Applicants screened through an online questionnaire with 116 questions.

### FUNDING AND REVENUE SOURCES

- USD 100 million commitment from the Tony Elumelu Foundation.
- Supplementary funds from other development partners such as UNDP, GIZ, AfDB.

### MANAGEMENT TEAM

- Founder.
- CEO.
- Advisory Board Members (three members).
- TEF Trustee (two members).

## Goal

The goal is to empower 10 000 African entrepreneurs over ten years, create at least 1 million jobs and contribute to over USD 10 billion in revenue to African economy.

## Introduction

Established in 2010, The Tony Elumelu Foundation (TEF) is an African private-sector-led philanthropic organization in Africa championing entrepreneurship and entrepreneurs across the continent. The Foundation’s flagship initiative, the TEF Entrepreneurship Programme, is a ten-year, USD 100 million commitment to identify, train mentor and fund 10 000 entrepreneurs, capable of changing the face of business across Africa.

### 1 Training and Mentorship Phase - Start-up Enterprise Toolkit

- Online questionnaire used to categorize applicants: beginner, intermediate or advanced.
- A 12-week programme that equips start-ups with basic skills required to launch and run early growth stage businesses. The training is delivered through the [TEF Connect](#) digital platform.

### 2 Business plan and financials submissions

- At the end of training, applicants prepare a 2–4 page business and financial plan. Only successful candidates whose business plan scores above a cut-off mark can move to the next stage.

### 3 Pitching Competition and Seed Funding

- Entrepreneurs pitch their ideas before a panel of judges.

- Selected applicants receive the USD 5 000 seed funding.
- Opportunities also exist for second tier funding by TEF Partners in the form of debt or equity financing for high growth companies.

#### 4 Mentorship

- An 11-month, follow-up online mentorship programme connecting mentors from across the world.

#### 5 Networking and peer-to-peer exchanges

- TEF Connect: A digital networking platform with over 1.2 million subscribers, providing capacity building, advisory and market linkages.
- Country and state-level meet-ups to facilitate personal exchanges and interactions with local hubs and government agencies.
- Annual [TEF Entrepreneurship Forum](#) that brings eminent persons from Africa and the global entrepreneurial ecosystem.

## Key success factors

- Pan-African entrepreneurship programme reaching out to a large number of entrepreneurs from across different sectors.
- Founded and managed by a highly successful businessman.

## Challenges and weaknesses

- Due to changes in selection procedures, in 2021, more than [200 000](#) plus young people underwent training. This has put a huge stress on the organization's IT support and coaching systems. Whether this change

## More information

- TEF Impact ([video](#)).
- Documentary on Tony Elumelu Entrepreneurs ([video](#)).
- TEF on [Twitter](#).
- TEF on F.
- Alumni [Network](#).
- TEF Entrepreneurship Programme Orientation ([video](#)).

### RESULTS

**15 847**

Entrepreneurs from 54 African countries supported since launch.

**30%**

of all selected entrepreneurs are from the agriculture sector.

**200 000**

undergoing training in 2021.

**USD 80 million**

invested as seed capital to support businesses.

**409K+**

New jobs created across the continent.

**3 000+**

women-owned businesses received funding.

**USD 4 million**

worth of transactions recorded across the continent as a result of TEF Connect businesses.

**1.2 million**

supported through the digital networking platform TEF Connect.

## UGANDA CURAD

“Agribusiness Incubation – a Pathway to job creation”

- Established: **2011**
- Nature: **PPP (not-for-profit)**
- Sector: **Agriculture**
- Website: **[Click here](#)**

### TARGET CLIENTS

- Students.
- SMEs.
- Coffee processors.
- Development agencies.

### STAGE OF SUPPORT

- Early-stage entrepreneurs.
- Existing businesses.

### APPLICATION and SELECTION

- Application-based targeting coffee and fruit value chain businesses.
- CURAD receives 400+ applications per year but has capacity to work with 50% of applicants.
- A panel of 17 judges from diverse backgrounds assess the shortlisted applicants.
- In 2019, 45 incubatees joined the incubator.
- Approximately 77% of incubatees selected for CURAD programme are scouted through the Annual Agribusiness Innovation Challenge.

### FUNDING AND REVENUE SOURCES

- Initial funding of USD 2 million from DANIDA (UNIBRAIN project).
- Currently 75% of CURAD’s income is from its own processing plant and business support services to entrepreneurs.
- Diversified funding of USD 5 million from local and international agencies.
- Fee-based services (training workshops).

### MANAGEMENT TEAM

- Board of Directors.
- Technical Working Committee.
- Executive Director.
- Management Team.

### Goal

CURAD’s vision is to be the leading generator of young agribusiness entrepreneurs, creating wealth and jobs in East Africa. its mission is to produce young innovative and skilful agribusiness entrepreneurs through strategic partnerships that support investment in agribusiness.

### Introduction

CURAD is a public-private partnership initiative promoted by Makerere University, the National Union of Coffee Agribusinesses and Farm Enterprises Limited (NUCAFE), the National Agricultural Research Organization (NARO) and Uganda Investment Authority (UIA). CURAD’s services include:

- Business services like financial modelling, financial linkage, registration, licenses, quality management, technology transfer, business plan development, accounting and strategy.
- Technical support in quality management, product development, branding and market development.
- Financial business support through procurement of materials.
- Connecting people through mentoring, coaching and interaction with fellow entrepreneurs.
- Infrastructure and production facility, internet, office space, meeting rooms, electricity, phone, etc.
- Promotion of appropriate commercially viable technologies for improved value addition in the coffee, fruit, and vegetable value chains.

Key value propositions of CURAD include:

#### 1 Farmer-ownership model for entrepreneurship

- Involvement of commodity processors who offer value addition expertise and facilities to farmers

at a fee. Processors enjoy a higher operational capacity allowing farmers to retain ownership and sell a higher value product at a higher return.

## 2 Student start-ups – engaging the next generation

- Land to lease out for students in the Earn as You Learn programme, laboratories, technical team, student revolving funds, client office, technologies.

## 3 AGRI Park facilities - a place for hands-on training

- CURAD offers its Agripark facilities that include fully operational factory facilities for coffee fruit horticulture and powdered products for start-ups. The coffee value addition hub is located in Gayaza Kabanyolo, while the beverage value addition hub lies in Namukekeera, Kapeeka. The third AgriPark, to handle fresh fruit and vegetable production, as well as dried fruits and production, was started up recently in Namanve on the outskirts of Kampala. This CURAD incubation offering takes the capital gap and risk out of starting a business along these value chains, a concept that CURAD intends to expand across the country and region.

## 4 Markets

- CURAD has a diverse portfolio of clients It serves both local and export markets. Export markets include Japan, the United States of America, the United Kingdom, Kingdom of the Netherlands, Germany, Italy and the United Arab Emirates.

## Key success factors

- Strong management led by a managing Director with significant experience in agribusiness incubation.
- CURAD has clear profit-oriented activities in order to generate resources to support its non-profit activities.
- Strong tripartite business model (university, research, business), with a joint vision and shared accountability for results.
- CURAD leverages a diverse range of partners, resources and expertise in Uganda to build a supportive incubation ecosystem.

## Challenges and weaknesses

- Working capital and financing strategy for incubatees continues to be a major challenge for CURADs operation.
- Low participation of women in the agri-park facilities. CURAD has highlighted the need for more affirmative action to attract more women in the Agripark activities.

## More information

- CURAD on [Twitter](#).
- CURAD on [Facebook](#).
- CURAD Agribusiness Incubator ([video](#)).
- Launch ceremony of CURAD Agripark ([video](#)).

### RESULTS

**374**  
SMEs  
Supported.

**31%**  
of all SMEs and  
entrepreneurs  
supported are  
women.

**USD  
500 000**  
provided in direct  
support to entrepreneurs.

**2 930**  
jobs created.

**300**  
local and international  
interns trained.

**5 000**  
farmers and  
beneficiaries impacted.

**8**  
technologies  
commercialized.

Source: 2019 CURAD Annual Report.

# NIGERIA

## AGRILAB VENTURES

“Ideation and Incubation for Young Startups”

- Established: **2018**
- Nature: **Public/private (not-for-profit)**
- Sector: **Agritech**
- Website: **[Click here](#)**

### TARGET CLIENTS

- Youth (18–35 years).

### STAGE OF SUPPORT

- Early-stage entrepreneurs.
- Existing businesses.

### APPLICATION and SELECTION

- Application is open for one month. Received over 1 000 applications in 2019.
- Selected top 15 among the applicants who goes through a three-day ideation day bootcamp.
- Following the ideation bootcamp, the five most viable start-ups were selected for the incubation programme.

Main eligibility criteria include:

- Nigerian with a business idea in the agritech space.
- Aged 18–35 years and resident in Nigeria.
- Have a sustainable and scalable business model.
- Available to participate in the entire programme if selected.
- Able to travel to Ireland for a business visit as part of the programme.

### FUNDING AND REVENUE SOURCES

- Funding from Ventures Platform.
- Equity funding model for start-ups.

### MANAGEMENT TEAM

- Executive Director.
- Director of Programmes.
- Director of Design.
- Agrilab Project Manager.
- Partnerships Manager.

### Goal

Agrilab aims at enabling young Nigerians to turn their start-up ideas into full-fledged, investment-ready business.

### Introduction

The programme is a partnership between the [Embassy of Ireland](#), Nigeria, and [Ventures Platform](#), an Abuja based technology hub that incubates and supports start-ups through its curated office space, investment fund and not-for-profit arm.

Ventures Platform is a pan-African early-stage fund launched in June 2016. It is focused on supporting post-minimum viable product (MVP) teams to grow their start-ups to serve as a launchpad for technology innovators to solve Africa’s biggest challenges. So far, Ventures Platform has created 17 000 jobs, supported 4 000–5 000 entrepreneurs, made 28+ investments and run 50+ programmes that include both incubation and acceleration. The areas of operation include healthcare, financial services, agriculture and education. To date, ThriveAgric is the only agriculture start-up launched through Ventures Platform. It provides smallholder farmers with access to capital and markets and has had 300 percent growth in revenue (see case study below).

Recognizing the huge potential in agri-tech in Nigeria and across the continent, Ventures Platform launched Agrilab in 2019, which is focused on enabling agri-tech entrepreneurs to turn their start-up ideas into fully fledged business models ready for investment. The AgriLab programme has the following main components:

#### 1 Ideation workshop and bootcamp (3-days)

- Selected start-ups are trained in the knowledge required to be accepted into an incubation programme.

## 2 Incubation (4-months)

- Participants are provided an intensive incubation programme through workshops, mentorship and co-working space.

## 3 Seed Capital

- Participants receive USD 2 000 as seed capital.

## 4 A trip to Ireland

- Winning team are awarded an all-expenses paid trip to Ireland to meet and network with potential business partners and state agencies.

## 5 Follow-up support

- Participants get regular “health checks” and are provided support in expanding customer base, team organization and governance structure.

## Key success factors

- Focuses on a very low number of high-potential start-ups. Out of 1 000 applications received, only five are selected for incubation.
- Agrilab is built on a model that has worked across-sectors by the Ventures Platform.
- The Embassy of Ireland is a strong partner, with linkages and experience from the Irish agribusiness sector as well as funding opportunities.
- Provides clear targets for each of the supported businesses (1 000 customers in the incubation phase and 100 000 in the acceleration phase).

## Challenges and weaknesses

- Limited information on start-up/entrepreneur success stories/testimonies available on the website.
- In the first round of AgriLab, the company had difficulties in finding enough business ideas that met the selection criteria (target ten; selected five).

## More information

- Agrilab Demo Day ([video](#)).

### RESULTS

Agrilab Programme

**5**

entrepreneurs incubated in first round.

**USD 200 000**

Estimated value of the 5 entrepreneurs support through equity model.

Ventures Platform

**50+**

programmes.

**5 000**

entrepreneurs supported.

**17 000**

jobs created.

Source: Collected during field visit to Agrilab Ventures in Nigeria (2020).

# ETHIOPIA

## ETHIOPIA AGRIBUSINESS ACCELERATOR PLATFORM

“We inspire and empower entrepreneurs”

- Established: **2017–2020**
- Nature: **Government (not-for-profit)**
- Sector: **Agriculture**
- Website: **[Click here](#)**

### TARGET CLIENTS

- Youth (18–35 years).

### STAGE OF SUPPORT

- Early-stage businesses (incubation).
- Export-oriented businesses (acceleration).

### APPLICATION and SELECTION

- Business registered in Ethiopia and licensed to trade in honey and beeswax.
- Can demonstrate a high market potential and clear growth plan, led by a manager with a high education degree (diploma or above).
- Has 1–8 years of expertise in honey processing.
- Has an annual sale of honey of no more than 50 metric tonnes or has invested at least ETB 100 000 or equivalent in the honey and beeswax value chain, with definite plans to expand into the processing field.

### FUNDING AND REVENUE SOURCES

- USD 4.6 million project funding from Bill & Melinda Gates Foundation, GIZ and Norad.

### MANAGEMENT TEAM

- Board of Directors.
- CEO.
- Management Team.

## Goal

The Agricultural Transformation Agency ([ATA](#)) established the Ethiopian Agribusiness Accelerator Platform (EAAP) to test and validate the agribusiness incubator and accelerator concept in Ethiopia. The first EAAP pilot focused on the honey and beeswax value chain to build a high-quality, sustainable supply chain for partners across the value chain and create a market-driven, business-building model for entrepreneurs.

## Introduction

The Programme has three main tracks.

### 1 Incubation track

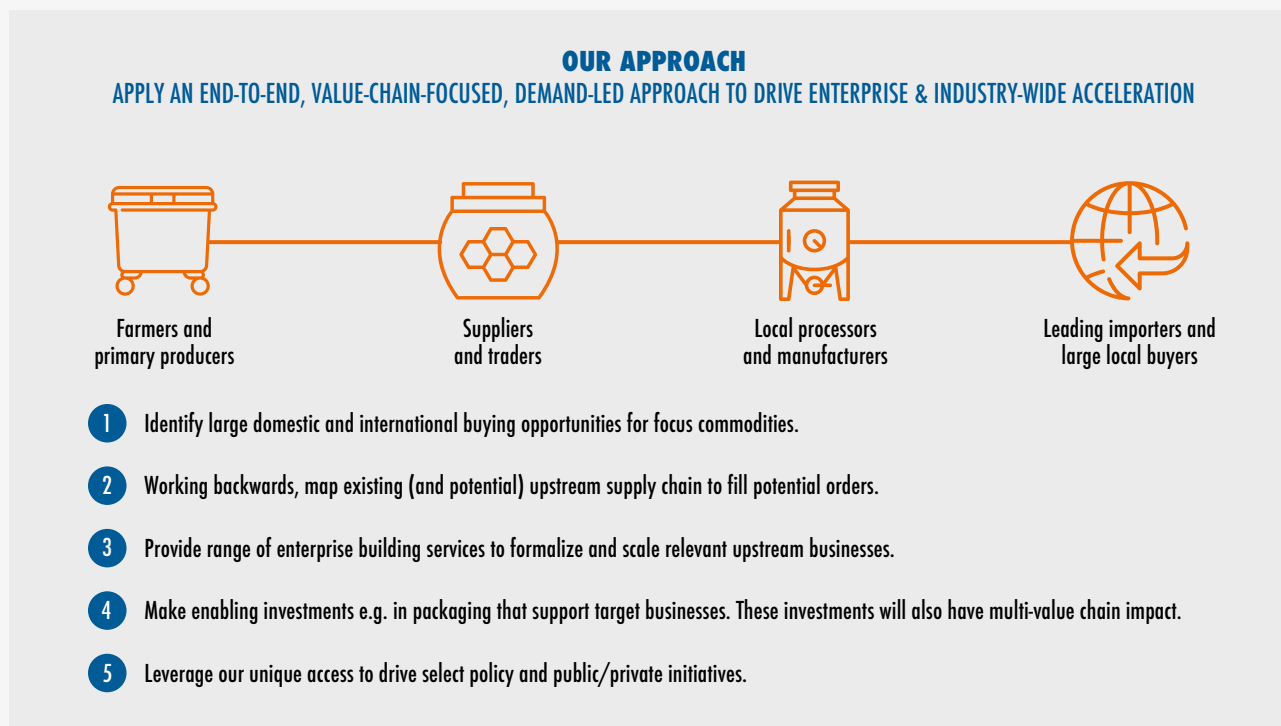
Assists early-stage processors (typically small businesses) with a sales track record and high potential for growth. EAAP supports them with access to business development services, finance and technical trainings, one-on-one mentorship, grants and contract farming design and implementation.

### 2 Acceleration track

Works with formalized, relatively mature enterprises with a focus on export markets and a track record of profitable growth. EAAP assists companies to achieve scale by facilitating access to investment capital, designing and implementing a contract farming scheme and hands-on mentoring that includes designing a growth strategy through a dedicated advisory board of technical and management experts.

### 3 Ecosystems track

The Ecosystem track focuses on supporting three essential components of the honey/wax value chain – input suppliers, packaging companies, and quality testing laboratories – in order to provide a healthy ecosystem for companies in the Incubation and Acceleration tracks.



Source: EAAP Overview (ATA 2018).

The contract farmers supported under the Incubation and Acceleration tracks receive 12-month farm college training, training to strengthen cooperative management capacity, integration of a digital traceability platform and digital farm accounts systems, and contract templates and contract negotiation support.

## Key success factors

- Established with a clear strategy linked to the potential of honey to provide jobs, create wealth, reduce poverty and to meet both local and export oriented businesses.
- Works across the entire ecosystem of actors in the honey and beeswax value chain, addressing major constraints along the value chain.

## Challenges and weaknesses

- Lack of clear sustainability strategy means that the fate of EAAP remains unclear. EAAP is looking to transition either to an independent incubator or with the new Integrated Agro-Industrial Park project.

## More information

- Introduction to EAAP (ATA [website](#)).
- EAAP Documentary ([video](#)).
- Overview of EAAP ([presentation](#)).

**RESULTS**

<p><b>21</b> Honey and wax processing business incubated/accelerated.</p>	<p><b>6 500</b> Beekeepers engaged in contract farming initiatives.</p>	<p><b>USD 13 million</b> (63 Million Ethiopian Birr) leveraged for enterprises through loan/lease financing.</p>	<p><b>2 quality test labs</b> to receive international accreditation.</p>
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Source: ATA Website ([Article](#)).



## SOUTH AFRICA

### MOBILE AGRI-SKILLS EVDEVELOPMENT TRAINING (MASDT)

“One-Stop Center for SMEs in the Agriculture Sector”

- Established: **2005**
- Nature: **NGO (not-for-profit)**
- Sector: **Agriculture**
- Website: **[Click here](#)**

#### TARGET CLIENTS

- Above 18 years.

#### STAGE OF SUPPORT

- Early-stage businesses.
- Export-oriented businesses.

#### APPLICATION AND SELECTION CRITERIA

- Must be 18 years of age or older, and from project/farming ventures.
- Must be from a previously disadvantaged group.
- Must have a dedicated interest in agriculture.
- Must have an adult and basic education training at Level 2.
- Preferably be part of the decision-making structure.
- Must have proof of land or access to a minimum of 5 hectares (ha) of land for at least a period of three years.
- Must currently be part of the agriculture value chain.

#### FUNDING AND REVENUE SOURCES

- SEDA funding in 2019: R 2.7 million (apt USD 170 000).
- British American Tobacco – (BAT) in 2019: R 14.3 Million (apt USD 900 693).

#### MANAGEMENT TEAM

- Board of Directors.
- Managing Director.
- CEO.
- Management Team.
- Twenty full-time and contractual staff members.

### Goal

MASDT’s vision is to be a nationally recognized organization that contributes to the development and growth of the agriculture sector in South Africa, with a focus on rural areas.

### Introduction

MASDT aims at developing emerging farmers over a three year incubation period to the point where they can sustainably generate income and employment from their agricultural businesses. MASDT is mobile; instead of expecting the rural poor to travel to education centres in cities, MASDT brings the training and support services to the farm gates. In this way, MASDT creates space for practical learning on the emerging farmers’ land while they continue with their farming activities.

#### 1 Pre-incubation assessment and training

- Governance, leadership and management training.
- National certificates or skills programme in plant and animal production.
- National certificate in new venture creation for an agribusiness.

#### 2 Agri incubation (three years)

- Technical, business and life skills training.
- On-site consultancy, extension and technology services.
- Monitoring, financial and administrative control and support.

#### 3 Exit/graduate

- Formal successful assessment of farming venture.

- Must be able to produce on a minimum of 5 hectares of land.
- Turnover sales and harvests must be consistent for at least three production cycles.
- Must be able to conduct excellent record keeping.
- Must demonstrate that it can operate independently.

## Key success factors

Strong team led by a Managing Director, accountable to the MASDT Board of Directors, leading a staff component of 20 full time professional' and contract staff in other provinces.

- Practical and hands-on agriculture-agribusiness technical training as part of the pre-incubation process over a one year period, allowing farmers to gradually apply the learning acquired.
- Strong mentors and business development officers, who typically have agricultural qualifications and experience.
- A comprehensive business model: among the analysed cases, it was the only one with an explicit exit strategy.
- Engagement with business partners, stakeholders and government to utilize as resources for information, funding, technology transfer, farming techniques and marketing.

## Challenges and weaknesses

- Needs to develop diversified funding and revenue streams.
- Limited documentation and showcasing of success stories.

## More information

- MASDT Mobile Laboratory ([video](#)).
- MASDT on [Twitter](#).
- MASDT on [Facebook](#).
- Annual Review 2018/2019 ([report](#)).
- Monthly Newsletter [2019](#).

## RESULTS

Results for the SEDA funding stream (2011–2020)

**290**  
new SMEs  
created.

**935**  
SMEs  
supported.

**1 850**  
jobs created.

**USD 6.6**  
**million**  
collective turnover of clients.

Source: MASDT Website.

## MULTI-COUNTRY 2SCALE

“The largest incubator for inclusive agribusiness in Africa”

- Established: **2012–2024**
- Nature: **Development partner (PPP)**
- Sector: **Agriculture**
- Website: **[Click here](#)**

### TARGET CLIENTS

- Producer organizations.
- Farmer groups and SMEs.
- Large businesses.

### STAGE OF SUPPORT

- Early-stage businesses.
- Export-oriented businesses.

### APPLICATION AND SELECTION CRITERIA

- Targets: at least 50% women farmers PPPs scouted through.
- Competitive calls for proposals (media announcements and information meetings).
- Active search for prospective partners (visits to factories, producer organizations, donors and financial institutions).
- Enterprises approach 2SCALE for collaboration.

### FUNDING AND REVENUE SOURCES

- Approximately USD 100 million from the Government of the Kingdom of the Netherlands.
- Matching funds mobilized through private sector (USD 60 million for phase 1).

### MANAGEMENT TEAM

- IFDC BOPInc.'s Innovation Center, Kingdom of the Netherlands and SNV.
- The Supervisory Board: Members from IFDC, SNV, BOPInc).
- Programme Advisory Committee.
- Programme Management Team.
- Country Teams.
- The Partnership Resource Center (PrC) is a strategic partner to the consortium and works on action research and M&E approach for project).

### Goal

The goal of 2SCALE is to improve rural livelihoods and food and nutrition security in Africa through promoting entrepreneurship and private sector development through clusters (partnerships) in agricultural value chains.

### Introduction

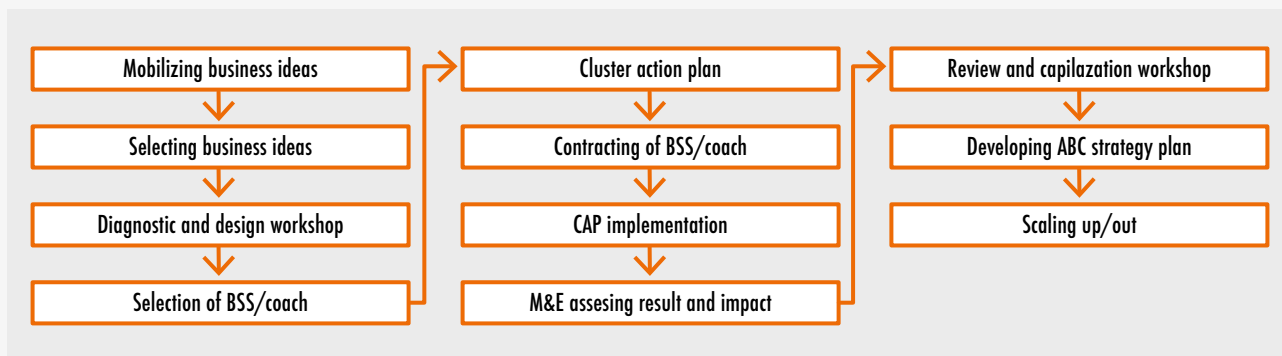
The 2SCALE project is financed by the Government of the Kingdom of the Netherlands and implemented by the International Fertilizer Development Center (IFDC), BoP Innovation Center (BopInc) and the Netherlands Development Organisation (SNV).

2SCALE is an incubator program that manages a portfolio of public-private partnerships (PPPs) for inclusive business in agrifood sectors and industries. The project is ongoing in ten African countries: Burkina Faso, Ghana, Ethiopia, Egypt, Cote d'Ivoire, Kenya, Mali, Nigeria, Niger and South Sudan. It works across different sectors: rice, maize, cassava, potatoes, green vegetables, dairy, and oilseeds.

The programme has the following main components:

#### 1 Facilitate Agribusiness Clusters (ABCs)

- 2SCALE focuses on establishing ABCs built around business champions (either rural producer organizations or local SMEs).
- An ABC typically involves a localized network of smallholder farmers, input dealers, micro-finance institutions, enterprises offering farm services, extension and business support services.
- ABC coaches and agribusiness trainer-mentors deliver technical training (e.g. best agricultural practices), and processing methods and soft-skill (or “functional capacities”) coaching (e.g. brokering and building relationships etc).



Source: 2SCALE Website (Accessed in August 2021).

## 2 Facilitate innovative inclusive value chain relations

- Development of the “core’ supply chain and matchmaking between large-scale enterprises, SMEs and ABCs.

## 3 Support enabling environments

- 2SCALE provides a partnership facilitator who plays a critical role in bringing together multiple partners to provide an ecosystems of support service providers over a 2–3 year period. Private firms bring in new technologies and provide technical training; banks support financial literacy programs; public sector agencies provide in-kind support (staff, facilities etc), and development organisations fund projects that complement 2SCALE interventions. Universities and international research centres support specific research components.
- To alleviate the financial stress caused by the COVID-19 pandemic, 2SCALE enabled a crowdfunding platform in 2020.

## Key success factors

- Strong consortium of partners and country-level partnerships, bringing a diverse set of skills, resources and expertise.
- Bottom-up PPP strategy incubator model for private sector development (PSD) programmes.
- Every 2SCALE partnership is tailored to the specific context and needs of the partner.

## Challenges and weaknesses

- Exit strategy: The project has made significant impact. Mechanism for follow-up and sustainability of ABCs and results generated will be crucial.

## More information

- 2SCALE inclusive agribusiness in Africa ([video](#)).
- Agribusiness coaches in action ([video](#)).
- External Evaluation Report 2SCALE 2012–2017 ([Report](#)).

### RESULTS

Phase 1 (2012–2018)

**627 422**

farmers supported  
(36% women).

**1 891**

businesses,  
mostly SMEs  
supported.

**2 535**

Cooperatives  
supported.

**52**

ABC partnerships  
established in  
nine countries.

**USD 60**

**million**  
in private investments  
mobilized.

Source: 2SCALE Highlights 2018.

# MULTI-COUNTRY ENABLE YOUTH

“Agriculture is cool: engaging Africa’s youth”

- Established: **2016–2025**
- Nature: **IFI (not-for-profit)**
- Sector: **Agriculture**
- Website: **[Click here](#)**

## TARGET CLIENTS

- Youth (18–35 years).
- Primarily university graduates.

## STAGE OF SUPPORT

- Early stage (incubation) and more established businesses (acceleration) in some countries.

## APPLICATION AND SELECTION CRITERIA

- Online calls for applications.
- Must be a national of applying country.
- Age 18–35 years.
- Must have a diploma or degree.
- Some countries such as Kenya and Sudan have an independent firm that pre-screens and shortlists candidates.

## FUNDING AND REVENUE SOURCES

- Programme largely funded by AfDB. Counterpart funding from governments and development partners.
- Additional investments leveraged through financial institutions.
- Kenya: USD 30 million dollars (AfDB) and USD 6.3 million. (GovK, 2019).
- Republic of the Sudan: USD 28.9 million from AfDB and USD 3.2 million from the Government of Sudan (GovSudan, 2021).
- State of Eritrea: USD 18.1 million from AfDB and USD 1.74 million from the Government of Eritrea.

## MANAGEMENT TEAM

- Varies – depending on the country.

## Goal

The goal of the programme is to create profitable and vibrant agribusiness opportunities for young graduates between the ages of 18–35. ENABLE Youth aims at empowering 10 000 agripreneurs in 30 countries, creating 300 000 enterprises and 1.5 million jobs.

## Introduction

ENABLE Youth is a continental scale-up of IITA’s Youth Agripreneur Model (IYA), with programmes implemented in more than 12 countries in Africa. Different countries have adopted different approaches to incubation, but in most programmes, youth enrolled in the programme undergo 12–18 months incubation to acquire in-depth agricultural, vocational and business skills.

**ENABLE Youth Uganda:** led by the Ministry of Water and Environment (2018–2023): Budget: USD 76 million. Main components of the incubation programme include:

### 1 Bootcamps

- Five-day bootcamps that provide training for selected candidates, test business cases and provide business development services.

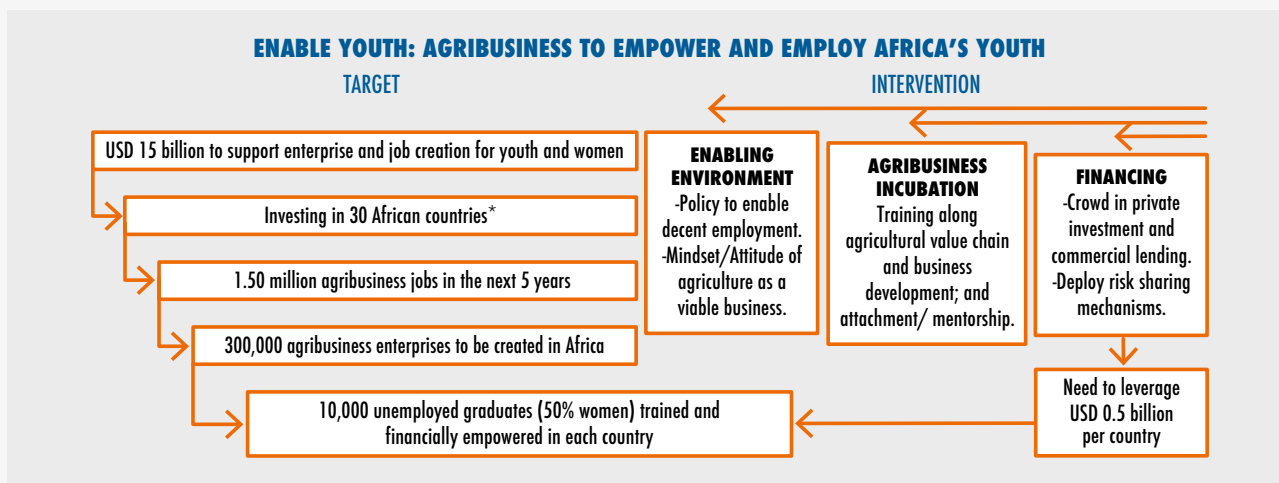
### 2 Validation Accelerator Programme

- A 4-month acceleration programme during which candidates are provided training, local mentors, business development services and assistance with refining their business case.

### 3 Funding

- Selected and trained enterprises will be extended funding as a loan facility at low interest rates (5 percent). Funds are repaid into a revolving fund at the end of the 24-month project.

**ENABLE Youth Sudan:** led by the Ministry of Agriculture and Forests (2017–2021): Budget: USD 32.7 million



Source: ENABLE Youth presentation by Edson Mpyisi ([link](#)).

- The project has established ten youth agribusiness incubation services (YABICs) to deliver pre-incubation, incubation and post-incubation across specific value chains over 12 months.
- Each Agripreneur who completes the training period submits a business proposal to be funded through the programme. Each agripreneur is expected to employ five other support workers, generating 12 000 jobs in total over the first five years.

**ENABLE Kenya:** led by Ministry of Agriculture, Livestock and Fisheries (2018–2023): Budget: USD 32.7 million.

- The project has established eight YABICS, which provide pre-incubation, incubation and post-incubation across specific value chains over 3–12 month period.

## Key success factors

- Strong support and financial commitment from the

African Development Bank (AfDB).

- Flexible business model: design, structure and outcomes are defined by the government in line with the Strategy of AfDB.

## Challenges and weaknesses

- Gathering consistent information on results and lessons learned were challenging. Given the expansion of ENABLEYouth and the diverse model used by countries, a study on impacts and lessons learned maybe extremely valuable for future programmes.

## More information

- ENABLEYouth project ([video](#)).
- ENABLEYouth Kenya ([website](#) and [video](#)).
- ENABLEYouth Uganda ([website](#)).
- ENABLEYouth Cameroon ([website](#)).

RESULTS		Sudan			98	
Uganda					Youth Agribusinesses financed and established.	
<b>250+</b> Youth trained.	<b>106+</b> Youth provided with funds.	<b>700</b> Graduates completed training.	<b>1 000</b> Graduates undergoing training.	<b>588</b> Jobs created.	<b>USD 5.7 million</b> leveraged through RSFM mechanism.	
<b>150+</b> Mentored.				<b>15</b> YABIC created.		

Source: ENABLE Youth Uganda [website](#). AfDB Sudan [Progress Report Nov 2020](#).

## MULTI-COUNTRY IITA YOUTH AGRIPRENEURS PROGRAMME

“Agriculture is the future”

- Established: **2012**
- Nature: **Research organization (not-for-profit)**
- Sector: **Agriculture**
- Website: **Click here**

### TARGET CLIENTS

- Youth (18–35 years).
- Primarily university graduates.

### STAGE OF SUPPORT

- Early stage (incubation) and more established businesses (acceleration) in some countries.

### APPLICATION AND SELECTION CRITERIA

- The key factors are passion, interest, willingness to learn and availability.

### FUNDING AND REVENUE SOURCES

- Primarily through donor funding including AfDB, IFAD Mastercard Foundation, USAID etc.

### MANAGEMENT TEAM

- The Programme is managed by [IITA](#) (Governance Structure can be found [here](#)).
- The IYA programme is delivered under the Partnerships for Delivery Directorate, which also hosts IITAs Business Incubation Programme.

## Goal

The IITA Youth Agripreneurs (IYA) was established in August 2012 in IITA-Ibadan, Nigeria, by the Director General Nteranya Sanginga to re-orient youth toward successful careers in agriculture. The Mission of the IYA programme is to exploit the viable opportunities existing in the agricultural value chains to create wealth, achieve better income and financial independence for African youth.

## Introduction

IYA model is based upon experiential learning whereby young entrepreneurs are taken through an 18-month incubation cycle where unemployed graduates are trained, mentored and coached to develop viable businesses in production and value addition of commodities like cassava, maize, soybean, vegetable, plantain and banana, fishery and piggery. The programme has now expanded into many African countries such as the Democratic Republic of Congo, Uganda, United Republic of Tanzania, Kenya and Zambia.

The business model is based on the creation of a Youth Agripreneur Group (YAG) in a specific location, led by a Youth Coordinator and supported by a group of interns (about 35 in a group). IYA steps are summarized below:

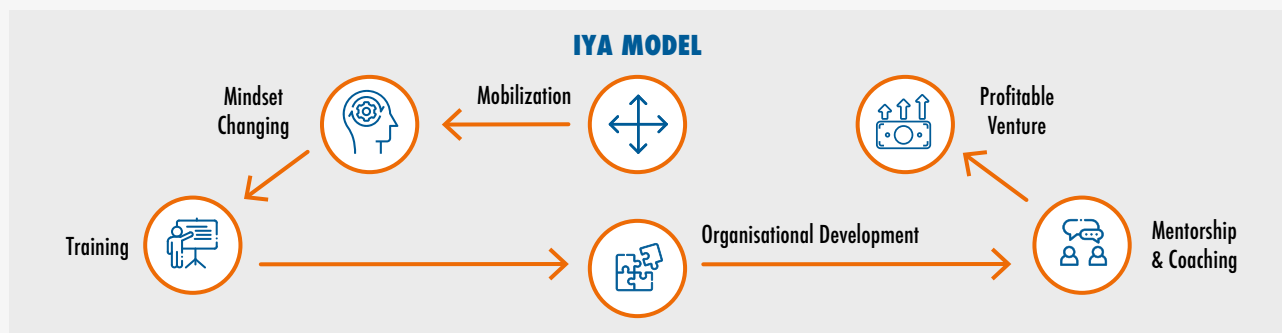
### 1 Months 1–3:

- YAG Launched, begin agribusiness training and incubation (training material developed by IITA and other YAGs).

### 2 Months 4–6:

- Modern farming and marketing enterprises initiated.

### 3 Months 6–9:



- Value addition enterprise and youth outreach initiated.

#### 4 Months 10–15

- Experiential learning across corporate enterprises conducted with rotational responsibilities. Begin business plans.

#### 5 Months 16–18:

- Business plans and loan applications completed. Departure incentives formalized.

After the 18 months incubation program, the youth develop bankable business plans along the value chain to enable them access loans from commercial banks to establish their independent agribusiness enterprises. The IITA Youth Agripreneurs (IYA) also partners with the public and private sector to offer training and consultancy services to youth and farmers.

### Key success factors

- Over 50 years of IITA’s experience in agricultural research and strong support from the CGIAR network. A large and experienced team of scientists with state-of-the-art equipment, laboratories and other facilities including 1 000 ha of land for crop trials and pilot installations.

- Experience gained over the years since the pioneering work in agripreneurship.

### Challenges and weaknesses

- Access to sources of start-up funding for departing agripreneurs continue to be a challenge. Alternative investment and loan mechanisms must be actively pursued, and linkage to commercial and government lenders strengthened.
- One of the main lessons learned is that expecting youth to monitor and evaluate themselves is not the best approach, but rather, they need to be supported by IITA social scientists to document and publish their findings.

### More information

- IITA IYA at a glance ([brochure](#) and official [video](#)).
- IITA Youth Agripreneurs 2017 [Report](#) and 2019 [Annual Report](#).
- IITA Youth Agripreneurs on [Facebook](#) and on [Twitter](#).
- Guidelines for IITA Youth Agripreneur Business Incubation ([document](#)).

### RESULTS

20

countries have operational IYA programmes.

7 000+

Young entrepreneurs trained.

127+

Agribusiness enterprises created n Northern East Nigeria alone.

1.5 million

jobs created for young people.

Source: CGIAR, Montpellier. Cited December 1 2022. <https://www.cgiar.org/innovations/youth-agripreneurs/>.



## MULTI-COUNTRY RUFORUM RECAP

“Vibrant, transformative universities catalyzing sustainable, inclusive agricultural development to feed and create prosperity for Africa”

- Established: **2017**
- Nature: **University (not-for-profit)**
- Sector: **Agriculture**
- Website: **[Click here](#)**

### TARGET CLIENTS

- Universities.
- University graduates.

### STAGE OF SUPPORT

- Early stage (incubation) and more established businesses (acceleration) in some countries.

### APPLICATION AND SELECTION CRITERIA

- The RECAP funded University Incubation Hub is granted funds through a competitive process under the RUFORUM Competitive Grants Scheme. Key criteria for selection include:
  - Feasibility of the overall project design, including value added by the project.
  - Integration of the Incubation Hub approach into the university and student curricula and the steps to create a hub where rural consumers, students, the private sector and regulatory and development agencies can meet.
  - Partnership and the effective integration of partners in the process.

### FUNDING AND REVENUE SOURCES

- Member Universities.
- Donors such as Mastercard Foundation.

### MANAGEMENT TEAM

Managed by RUFORUM, whose governance structure includes:

- A Regional Secretariat as a management and service delivery unit.
- Annual General Assembly.
- RUFORUM Board of Directors (three sub-committees – Executive Committee Board, Audit Committee and Finance Administration Committee).
- International Advisory Panel.
- Technical Committee.
- Principals and Deans Committee.
- National Forums.

### Goal

RUFORUM Entrepreneurship Challenge (RECAP) is designed to strengthen university entrepreneurship education and impact by supporting strengthening of agri-enterprise innovation Hubs (AIHs) at universities that will support development of agricultural enterprises through entrepreneurial skills development.

The RECAP seeks to develop a supporting environment where start-ups, innovations and disruptive ideas are nurtured to grow with focus on agriculture.

### Introduction

The Regional Universities Forum for Capacity Building in Agriculture (RUFORUM), established by ten Vice Chancellors in 2004, is a consortium of 126 African universities operating within 38 countries across Africa.

RECAP provides RUFORUMs’ network universities the opportunity to develop or strengthen agribusiness incubation hubs (AIH) to support agri-enterprise development in Africa. The programme provides universities with the opportunity to create an enabling environment through which students, universities and private sector work together to support students to develop viable agricultural enterprises. The RECAP project duration varies from 24–48 months. Each University AIH is provided a maximum grant of USD 50 000 to support the creation of at least ten student enterprises.

### 1 Capacity building of agricultural science students in agripreneurship

- A 12-month university based incubation programme to improve agripreneurship skills, inculcate an entrepreneurial mentality and provide training in business plan development.

**We Nurture Entrepreneurs And Startups  
For Growth and Impact**

<p><b>Applications</b></p> <p>Be the first to know about start up competitions run by RUFORUM, apply and get the chance to secure investment for your venture.</p>  <p><a href="#">Read More</a></p>	<p><b>Business Management</b></p> <p>Access free business tools to manage your business professionally, manage sales, inventory, expenses and HR management.</p>  <p><a href="#">Read More</a></p>	<p><b>Mentor Hub</b></p> <p>Meet and learn from experienced mentors from different business fields: Sales, Business development, Finance, Marketing, Fundraising and management.</p>  <p><a href="#">Read More</a></p>	<p><b>Investment Hub</b></p> <p>Showcase your business to a mix of investors with access to real time business data. Engage and find investment for your venture.</p>  <p><a href="#">Read More</a></p>
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**How It Works  
Check Out Our Work Process**



- Signup As a Business**  
to your business legally registered? Signing up is easy.
- Access Trainings/Calls**  
Search and apply for suitable trainings or funding opportunities.
- Business Management Tools**  
Access the tools you need to operate your business with efficiency.
- Connect With Mentors & Investors**  
Get advice from experienced professionals in your industry.

Source: [SME Hub](#).

## 2 Access to finance for student agripreneurship projects

- RUFORUM provides seed funding of USD 2 400–4 000 for student enterprises. A total of USD 40 000 invested in eight innovative student enterprises.
- Facilitates access to other sources of funding, including through other ESOs such as the Tony Elumelu Foundation, Mastercard Foundation and the African Development Bank.

More recently, RUFORUM has developed a business management platform to support business under incubation which is proving to be a useful tool <https://ruforum.smehub.africa/>.

## Key success factors

- Supportive university innovation ecosystem, with a membership of 126 universities across Africa.
- Engagement with private sector and other funding agencies has facilitated implementing universities to attract USD 750 000 in counterpart funding to strengthen operation of incubators.

## Challenges and weaknesses

- Sustainability issues. Incubation Hubs are currently initiated on a relatively short duration project approach.
- Capacity of the incubators needs to be strengthened.
- Transition from the incubators among university graduates is limited by their ability to mobilize financial capital and relevant equipment and this needs to be addressed in the scale-outs.

## More information

- RUFORUM ongoing RECAP [Projects](#).
- Student enterprises in pineapple ([Ghana](#)).

### RESULTS

**15**

Agribusiness Incubation Hubs established in 9 African Universities.

**575**

Students trained in Agripreneurship.

**120**

student-led and run enterprises established.

**30**

student-led start-ups transitioned their operations outside the Universities.

**947**

Jobs created.

Source: RUFORUM.

# EGYPT

## AGRIROWAD

“1<sup>st</sup> Agribusiness SMEs and start-up support center”

- Established: **2012**
- Nature: **NGO (not-for-profit)**
- Sector: **Agriculture**
- Website: **[Click here](#)**

### TARGET CLIENTS

- Youth.

### STAGE OF SUPPORT

- Early stage (incubation) and more established businesses (acceleration) in some countries.

### APPLICATION AND SELECTION CRITERIA

- The selection criteria of the incubatees are based on their having completed successfully the business model canvas, enabling the experts to review their projects and to sponsor the approved ones to the funding entities with whom AgriRowad operates.

### FUNDING AND REVENUE SOURCES

- European Union Innovation Fund; IDRC Canada; Swiss Development Aid; USAID projects; Embassy of the Kingdom of the Netherlands; Drosos Foundation Switzerland; AlexBank; BASF; Finance-in-motion Germany.

### MANAGEMENT TEAM

- Not available.

## Goal

AgriRowad is a digital platform in Egypt that links SMEs to other value chain actors. Its objective is to specifically target youth and provide them with innovative solutions for the challenges that have been identified to meet Egypt’s 2030 objectives.

## Introduction

AgriRowad is part of the Bashaier/Knowledge Economy Foundation (KEF) umbrella network that provides access to all users, both start-ups, farmers and private sector. Within this umbrella, AgriRowad is operating as the virtual agribusiness incubator, providing access to the range of Bashaier digital services: online marketplace, extension services, market information to its start-ups and users. AgriRowad is a digital platform linked to three market networks: fruits and vegetables market (Bashaier Network), fish market (Asmaknet) and the dairy market (Albannet).

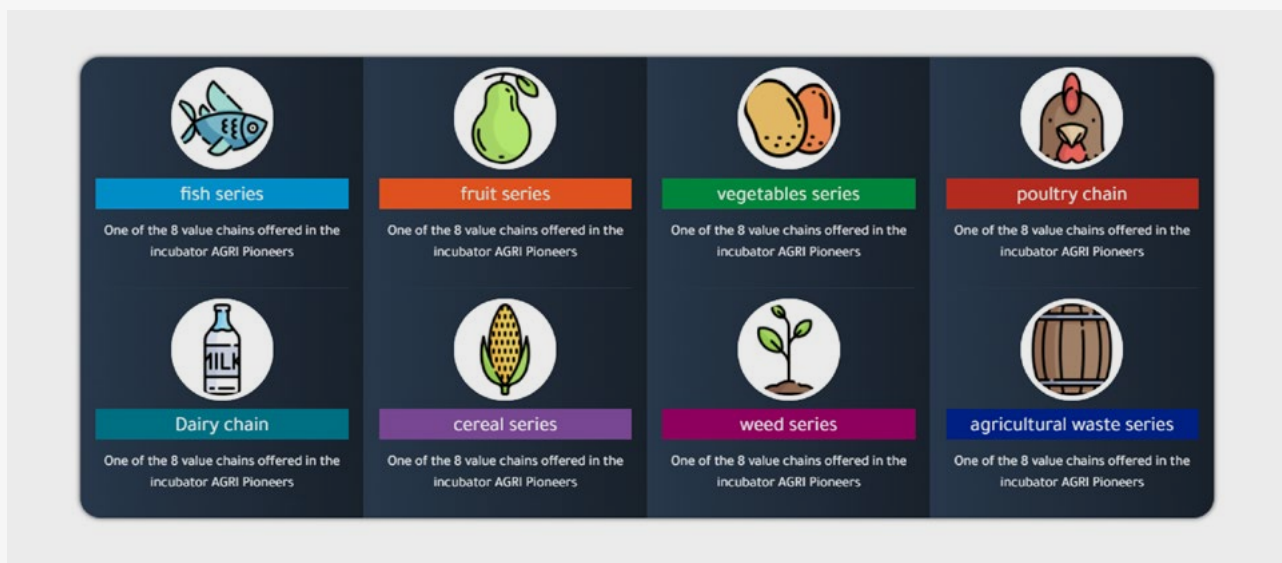
Services provided include:

### 1 Learning

- Providing a forum for learning and training to foster users and practitioners’ capacity.
- Generating knowledge, networking to build the SMEs capacity to engage in evidence-based approach and supporting stakeholders in embedding business inclusion and value chain approach more strategically in their operations.

### 2 Networking and connecting

- Supporting agribusiness SMEs to develop their business ideas through business model templates.
- Developing a unified electronic application for funding agribusiness SMEs.
- Connecting agribusiness SMEs to key stakeholders in the supply chains.



Source: AgriRowad website.

### 3 Knowledge sharing

- Mapping and identifying gaps across major food value chains in Egypt (fruit, vegetable, herb and spice, cereal, dairy, poultry, fishery, and agricultural waste).
- Developing strengths, weaknesses, opportunities, and threats (SWOTs) analyses for the value chains.
- Developing an integrative geographical mapping for agricultural production, processing, and administration.

### 4 Incubator

- Incubation services to the fruit, vegetable, cereal, dairy, poultry, fishery, weed and agricultural waste value chains.

### Key success factors

- Improving funding of small entrepreneurs through collaboration with financial institutions to access subsidized agricultural financing schemes.
- Obtaining sponsorship and cooperation of agribusiness companies and processors to facilitate the testing and prototyping of start-up projects, or including them in their supply chain.

### Challenges and weaknesses

- Limited publicly available information for its business model, results and impacts.

### More information

- AgriRowad <https://agrirowad.com/>.

## RESULTS

### 2

agricultural faculties from major Egyptian universities engaged to develop new curriculum in agribusiness entrepreneurship.

### Several banks

interested in opening their portfolio to agricultural lending to youth projects based on the business plans of AgriRowad.

Source: AgriRowad.

# EGYPT ATHAR

“Leading start-up accelerator in Upper Egypt”

- Established: **2019**
- Nature: **Private (for-profit)**
- Sector: **Multi-sector**
- Website: **[Click here](#)**

## TARGET CLIENTS

- Youth (21–35).

## STAGE OF SUPPORT

- Innovative ideas or already have an innovative business model.

## APPLICATION AND SELECTION CRITERIA

- Start-ups should be based in any of Upper Egypt’s governorates.
- Start-ups should have a team of a minimum of two members.
- Start-ups should have the potential to create at least three inclusive jobs.
- Market potential.
- Potential for scalability.
- Can attract investments.

## FUNDING AND REVENUE SOURCES

- According to their [LinkedIn](#) profile, they are listed as a venture capital and private equity firm.

## MANAGEMENT TEAM

- CEO and Founder.
- Co-Founder and Business Development Manager.
- Marketing Manager.

## Goal

Athar’s mission is to unleash Upper Egypt’s start-up’s potential and enable them to develop solutions to local problems.

## Introduction

Athar Accelerator is part of Cloud Coworking, the first creative space in Upper Egypt, based in Minya. The incubation program adopts the lean start-up methodology and provides start-ups with specific training, funding, on-on-one mentorship, networking opportunities and office spaces.

In 2021, Athar initiated Athar-Green, a 4-month online acceleration programme that supports green start-ups in Egypt. The areas of focus under this programme include renewable agriculture, waste management, food production, agribusiness, sustainable tourism, fishing industry and water industry.

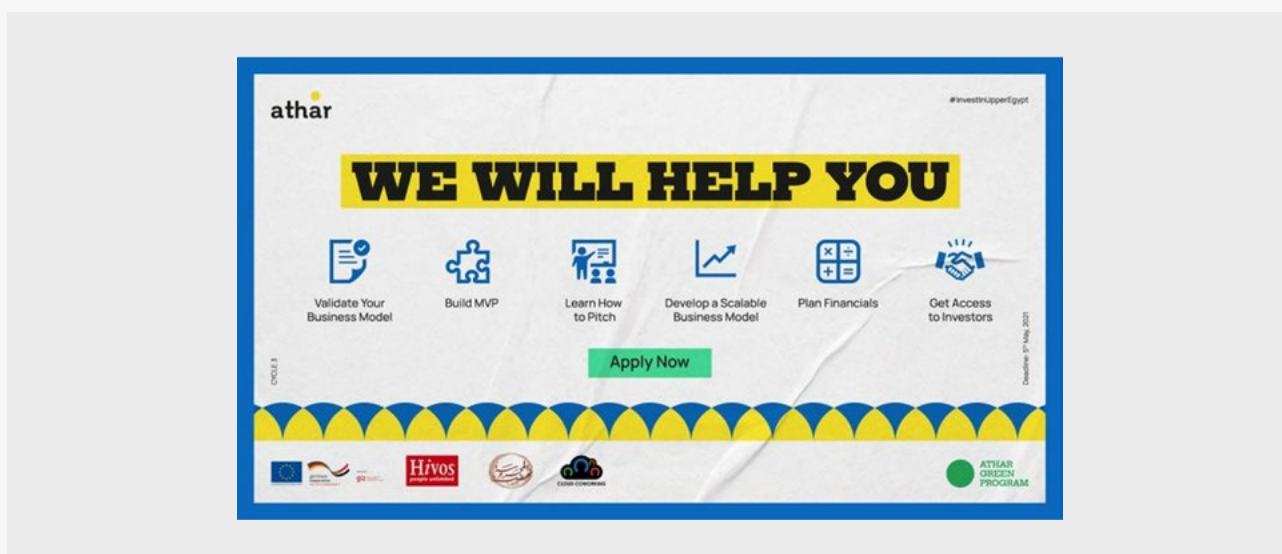
Athar provides a range of services to these start-ups including:

- Validating business models.
- Building a minimum viable product (MVP).
- Learning how to pitch.
- Developing a scalable business model.
- Planning financials and
- Accessing investments.
- Each start-up is provided seed funds of USD 1 270 (EGP 20 000) through the programme.

Despite being a relatively new accelerator, early success stories are emerging. Volution, a marketplace that connects suppliers and vets and founded in 2019 was supported by Athar Accelerator in 2020. Today the [Vetution](#) platform has over 5 000 users,



Source: Athar Website.



Source: Athar Twitter.

over 100 partners and over 1 000 items. Others, such as [MamaFoods](#) (a service that links housewives who can prepare healthy and delicious food at a reasonable price for students or expats who don't have time to cook) has over 1 721 followers on their Facebook platform.

## Key success factors

- After the graduation of the start-ups, Athar works closely to identify the ones that are ready for investment, connecting them to potential investors



Source: Athar website (July 2021).

and support networks.

- Athar collaborates with local and international development partners (GIZ, Entrepreneurship Academy, Cloud Coworking, etc.).

## Challenges and weaknesses

- Being a relatively new accelerator, it is difficult to formulate a clear understanding of its business model and impact.
- Limited information on the overall business model, funding structure and activities.
- While Athar provides a list of start-ups supported, limited information on the impact of incubation and follow-on support to the start-ups is available.

## More information

- Athar YouTube [Channel](#).
- Athar on [Twitter](#) and on [Facebook](#).

## SOUTH AFRICA

### TIMBALI TECHNOLOGY INCUBATOR

“Vision is to be the best scalable model in South Africa to provide market access to emerging small-scale farmers.”

- Established: **2003**
- Nature: **NGO (not-for-profit)**
- Sector: **Agriculture**
- Website: **[Click here](#)**

#### TARGET CLIENTS

- Small-scale farmers.
- Social development organizations.

#### STAGE OF SUPPORT

- Early stage (incubation) and more established businesses (acceleration) in some countries.

#### APPLICATION AND SELECTION CRITERIA

- Access to land.
- Ability to service infrastructure costs.

#### FUNDING AND REVENUE SOURCES

- 60% of Timbali’s revenue comes from government contracts and donors.
- Sale of incubatee products (flowers and vegetable): 33%.
- Rent and levies from incubatees: 2%.
- Grant funding in 2018 was R 63 million (USD 4 272 185) and operating expenses were R 41 million (USD 2 780 311).

#### MANAGEMENT TEAM

- Board of Directors.
- Four Committees (Audit, Technical, Skills Development and Fund Raising).
- Total of 63 Staff Members.

### Goal

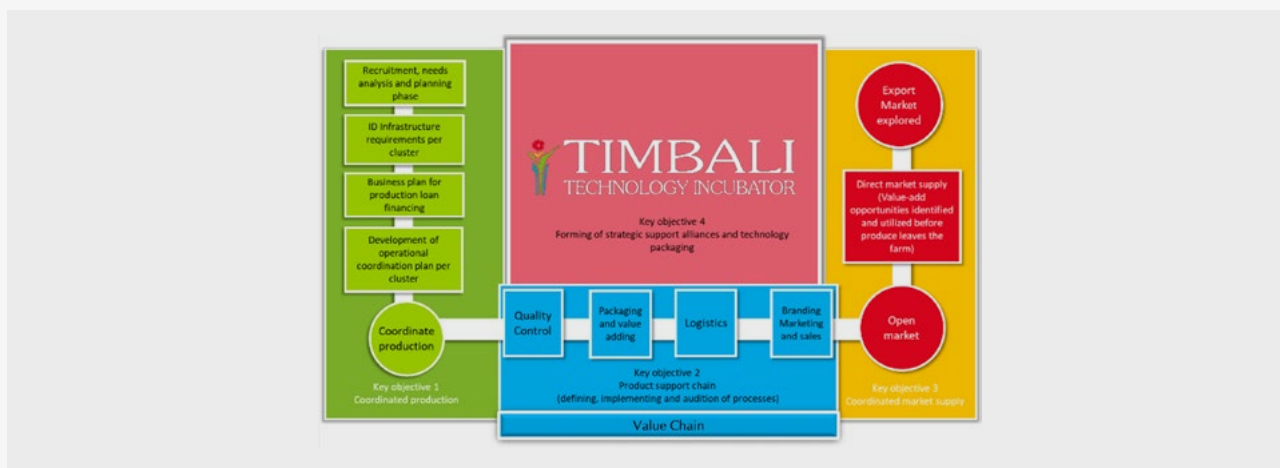
Timbali Technology Incubators aims at connecting smallholder farmers to commercial markets through the Agri-Parks incubation process, which provides an enabling environment for farmers to create sustainable wealth through a scalable model that has direct market access.

### Introduction

Timbali was established in 2003 and is a franchise-based Agri-Parks business incubation model. There are three business models that offer a distinct type of services and support, summarized below. Timbali’s engagement and support with its clients vary, depending on the model, from full-fledged support under model A to more of a consultancy role under model C.

#### I Model A – Agri-Park

- Land and agricultural infrastructures rented from Timbali and farmers operate through a franchise-like agreement.
- Based on market demand and land availability, a production plan is developed for each Agri-Park and farmer.
- Farmers goes through a four-year incubation process. Technical, financial (seasonal loans) and marketing services are provided by Timbali and recovered through a levy on sales.
- Through the ‘clustering’ of farmers, they benefit from collective branding, marketing, and procurement of inputs.
- Markets: 57 percent exported, 38 percent sold to retail and 10 percent to wholesale markets.



Source: Timbali 2017/2018 Annual Report.

## 2 Model B – Operate on farmer land franchise

- Farmers operate on their own land but are subject to franchise-style discipline required by export markets.
- Farmers grouped into ten clusters (15 farms in each cluster) and trained Timbali officers visit and assist farmers daily.
- A co-operative is established and managed by Timbali’s system and trained employees, which packs and markets the product of participating farmers. In time, ownership and management of the cooperative is handed to the group.
- Costs of farm inputs and services provided are recovered from the revenues generated by marketing of products through the cooperative.

## 3 Model C – Business skills development

- On their own land, farmers are supported with skills development and inclusion in existing supply chains as out-growers.

## Key success factors

- Over 18 years of experience, with an established track record of success in incubating small-scale farmers and connecting them to export markets.
- Cluster approach: key strengths of the business model, offering economies of scale, access to a cluster of experts, shared costs and services.
- Export oriented: farmers follow high-level of quality assurance procedures.
- Good monitoring of results.

## Challenges and weaknesses

- Franchise model offers limited entrepreneurial innovation among the individual farmers and SMEs.

## More information

- Timbali Technology Incubator [YouTube](#) channel.
- The Timbali Model ([video](#)).

### RESULTS

**258**

smallholder farmers supported (58% of beneficiaries are youth and 71% women).

**USD 15.5+ million**

raised in infrastructure, support services and loans.

**700**

jobs created (110 direct, 211 seasonal and 379 indirect).

**4**

Global GAP Packhouses.

**100%**

survival rate – first and second year.

Source: CEO Article on Ag4Dev (Page 28) and Timbali Website (July 2021).



## REGIONAL AFRICAN AGRIBUSINESS INCUBATORS NETWORK (AAIN)

“Incubating Incubators for Job and Wealth Creation in Africa”

- Established: **2015**
- Nature: **Regional Network (not-for-profit)**
- Sector: **Agriculture**
- Website: **[Click here](#)**

### TARGET CLIENTS

- Member incubators.
- Governments.
- Local and international development partners and financial institutions.
- Universities and research Organizations.

### APPLICATION AND SELECTION CRITERIA

- Demand-driven requests from incubators to join the network.
- Proactive reach out to ESOs and incubators.

### FUNDING AND REVENUE SOURCES

- Accreditation and due-diligence fees.
- Corporate and membership fees.
- Agribusiness incubation training fees.
- Grants from development partners.

### MANAGEMENT TEAM

- Board of Directors.
- CEO.
- Finance, administration , human resources and public relations.
- Support services (evaluation, communication, auditing, legal).
- Director – Incubators and Experts Accreditation.
- Director – Business Development and Mentorship.
- Director, African Agribusiness Incubation Fund.
- Director, Technology Commercialization, Innovation and Knowledge Management.
- Director – Incubation Systems and Skills Development.
- Team of 20 professionals and 150 associated professionals across Africa.

### Goal

AAIN aims at being the hub of innovation for African agribusiness incubation. An “incubator of incubators” for jobs and wealth creation in Africa.

### Introduction

AAIN supports the establishment and growth of African business incubators through providing technical support to incubator and accelerator design and development across Africa. It has supported the establishment of incubators and accelerators in Uganda, Kenya, Malawi, Burundi, Rwanda, Ethiopia, United Republic of Tanzania, Ghana, Nigeria, Congo, Mali, Zambia, South Africa and Senegal, among other countries. AAIN is an accredited ambassador of UBI Global and sits in the Global Advisory Research Body accrediting incubators globally.






#### 1 Incubation systems and skills development

- Supports existing incubators and hubs to improve their service delivery. Incubators join a peer network for knowledge sharing, learning and access to a pool of experts and mentors in incubation.
- Supports new incubators and hubs to get established. AAIN helps with mapping out business ecosystems, defining operational parameters, value chain mapping, business modelling and sustainability plans.

#### 2 Technology commercialization and innovation

- Keeping incubators aware of emerging technologies and new market opportunities that can provide incubatees with business opportunities.

## What We Offer

				
<p><b>Incubation Systems And Skills Development</b> to ensure that the incubators have efficient systems and staff with the necessary skills</p>	<p><b>Technology Commercialization And Innovations</b> To keep incubators aware of emerging technologies and new market</p>	<p><b>Business Development And Mentorship For Youth And Women</b> To equip incubator management with the best business tools and help</p>	<p><b>Agribusiness Incubator Accreditation And Due Diligence:</b> To help incubator managers identify weaknesses and affect</p>	<p><b>African Agribusiness Incubation Fund</b> To facilitate transactions between agribusiness incubators and their incubatees</p>

Source: AAIN Website. Photographs: ©FAO/AAIN.

### 3 Business development and mentorship

- Mentorship support that involves mentor recruitment, placement, technical support, skill matching and relationship building between incubators, incubator hubs and mentors across Africa.

### 4 Incubator Accreditation and due-diligence

- Accredited ambassador of UBI Global. Sits in Global Advisory Research Body accrediting incubators globally.
- Supports incubator managers identify weaknesses and effect timely remedies.

### 5 African Agribusiness Incubation Fund (AAIF)

- To facilitate transactions between agribusiness incubators and their incubatees and financial institutions.

### 6 Annual Incubator Conference

- Annual conference that brings together incubators, SMEs, international organizations, and the private

sector.

## Key success factors

- With wide membership of incubators across Africa, AAIN brings together the learning from the successes and failures of Africa’s collective experience of agribusiness incubation.
- AAIN has 15 in-house incubation experts, over 50 associate consultants on agribusiness incubation, 1 600 mentors with hands-on experience in Agribusiness incubation as well as over 100 on-call field-based experts.

## Challenges and weaknesses

- The main challenge is of managing a network with diverse organisations spread across Africa and supporting the incubators to address their key challenges of financial sustainability, governance and management.

## More information

- AAIN on [Twitter](#) and on [Facebook](#).

## RESULTS

<p style="font-size: 2em; font-weight: bold;">319</p> <p>Incubators registered with AAIN from 48 African countries.</p>	<p style="font-size: 2em; font-weight: bold;">300+</p> <p>small-scale incubator hubs established.</p>	<p style="font-size: 2em; font-weight: bold;">1 600</p> <p>Mentors in Africa.</p>	<p style="font-size: 2em; font-weight: bold;">580</p> <p>Incubator Management Experts trained.</p>	<p style="font-size: 2em; font-weight: bold;">4 500</p> <p>Enterprises assisted to access local and international markets.</p>
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Source: AAIN.





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