

Background two-pager: short conference on connecting policy, research and practice: Inclusive agri-business strategies

“Connecting policy, research and practice: Inclusive agri-business strategies” is the theme of a short conference organised by [NWO-WOTRO](#) and the [Food & Business Knowledge Platform](#) in Nairobi on January 18th 2018. This document explains the relevance of this theme, elaborates on efforts to stimulate knowledge sharing, and identifies knowledge gaps. The short conference aims to develop recommendations on how to improve joint strategies for inclusive agri-business (IAB) that contribute to improved food security and development impact. The shared knowledge and experience and interaction should inspire participants in their IAB activities, while attending research consortia will be able to sharpen their work.

Inclusive agri-business and policy

Inclusive business can be defined as sustainable business solutions that expand access to goods, services, and livelihood opportunities for low income communities in commercially viable ways. By focussing on deliberately shaping core business processes in the agri-food sector, IAB aims to address the needs of stakeholders such as smallholder farmers and agribusinesses.

Advocates of IAB argue that [companies of all sizes can play a crucial role in the development and scaling of market-based solutions](#) that reduce poverty. However, they recognise that the private sector cannot succeed alone and that IAB initiatives require enabling policies and the matching of public and private investments to achieve both commercial and public objectives. On the other hand, there is [growing concern that inclusive business is to a large extent a donor-driven concept that lacks sustainable interest of the private sector](#). IAB models may limit the potential of businesses to develop and integration of small-scale operators in IAB models cannot reach the whole target population. For these reasons, inclusive development may be better achieved by focusing on sustainable livelihoods, irrespective of the business model used.

These opposing views raise fundamental questions about IAB as an approach to development. Is investment in IAB ineffective or should there be more efforts to gather evidence of good practice and to identify ways to scale up successful initiatives?

Addressing knowledge and evidence gaps

Many agribusiness and value chain initiatives that apply IAB models, which aim to combine the creation of social benefits for low income groups with private sector interests in low and middle income countries, have emerged over the past ten years. From IAB models that focus on [sustainable cocoa production in Indonesia](#) or [inclusive dairy cooperatives in Kenya](#), to models that [strengthen linkages between small producers and retailers in Guatemala](#) for example. However, evidence that these models are having a positive or negative impact on poverty reduction and business opportunities for involved companies is still lacking. This is mainly due to limited investment in synthesised evidence gathering and knowledge sharing. As a result, new initiatives are not able to benefit from the experiences gained over the past years.

In March of 2017 an international group of IAB practitioners from policy, private sector, civil society, and research met in a conference in Brighton, titled [‘Towards a global research and learning agenda for inclusive agribusiness’](#). During this conference it was established that there is a wealth of work and that isolated collaborative research efforts have led to a growing number of loose connections between different stakeholders. However, there is no shared global research and learning agenda. Several areas of work for collaborative action were defined, including proving IAB business cases, supporting change-makers, better multi-stakeholder IAB collaborations, and analysis of research done to reveal emerging IAB insights and trends.

In a response, the [Seas of Change](#) network and the [Practitioner Hub for Inclusive Business](#) released [six papers](#) on key topics in IAB to trigger thinking on collective action. The series includes papers on [enabling IAB policy](#) and [multi-stakeholder collaboration](#). According to the latter paper there is a growing awareness that no actor is able to address a complex issue like inclusivity in agro-food value chains

alone. For IAB models to succeed, effective partnerships between unequal actors in value chains must be realized and there has been an increase in collaborations between different actors that promote IAB. However, there is a need to analyse key factors, principles, and modalities to foster effective partnerships at different levels.

Aiming at improved knowledge sharing, [a conference in December of 2017 in The Hague](#) brought together research groups with Dutch policy representatives and other public and private actors that are working on food security issues. One of the sessions reflected on assumptions underlying policies that promote IAB, assessed the viability of IAB models, and identified requirements for informed policy to enhance IAB. Although it was established that there are successful IAB initiatives, these remain isolated and [there are many bottlenecks that hamper success](#). The private sector in developing countries is often too weak to sustain IAB models long enough for them to take root. Key issues to upscaling also include high transaction costs and the need to be context specific in terms of gender, culture, and institutional environment.

In both the conferences in Brighton and The Hague, as well as in the papers published by the [Seas of Change](#) network and the [Practitioner Hub for Inclusive Business](#) it was established that to make IAB models more effective, there is a need for more effective collaboration in (shorter) chains and pursuing innovations, improved quality, and reduced (transaction) costs. This leads to the question of how partnerships can be shaped in order to really focus on the poorest farmers/workers that have most need for more IAB. Furthermore, the question is which policy instruments are able to promote IBA models that successfully include vulnerable groups.

These conclusions correspond with those of the food security partner's day of the Netherlands Embassy in October 2017 in Nairobi. Here, the role of policy in promoting inclusivity through solid and diverse partnerships was recognized. While the policy environment should inform the strategic areas to intervene, for change to happen in value chains all stakeholders must benefit (financially or otherwise).

About the meeting

The short conference in Nairobi will focus on the sharing of knowledge and experience between different stakeholders and deepening of knowledge on IAB and related policies. This provides an opportunity to develop recommendations on how to improve joint strategies for IAB that contribute to improved food security and development impact. Findings from two years of [GCP multi-stakeholder research on inclusive agri-business](#) in countries such as [Ghana](#), [Ethiopia](#), [Vietnam](#), [Bangladesh](#), [Tanzania](#), and [Kenya](#) will fuel the debates. Experts from practice in Kenya will be present to reflect on these findings and examples of IAB activities in the country.

Questions

Taking into account the above description of efforts to develop a knowledge agenda for IAB, the conference in Nairobi aims to address the following knowledge gaps:

- To what extent do IAB models and activities that the participants have experience with achieve positive development impact?
- What sorts of multi stakeholder collaborations can drive the pace and scale of IAB initiatives? And what kind of capacities are essential in such collaborations?
- To what extent have policies enabled the application of IAB models to achieve their objectives? And if examples of IAB models that were (partly) successful because of enabling policy can be identified, which (policy) components made them successful?

For more information:

- [BoP Innovation Center, Scaling up inclusive business](#)
- [Seas of Change, Inclusive business case studies](#)
- [FAO, review of smallholder linkages for inclusive agribusiness development](#)
- [Food & Business Knowledge Platform, Inclusive Business for Food Security](#)
- [Global Donor Platform for Rural Development, Inclusive business: The state of play](#)
- [Seas of Change, Six theme papers on inclusive agri-business](#)
- [Inclusive Business action Network and Practitioner Hub for Inclusive Business, Inclusive business publications portal](#)