



Report Pop-up Friday “Social entrepreneurship for food security”

February 27, 2015



Report

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Social entrepreneurship for food security

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Including

- Participants list
- Details from the roundtable sessions

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Introduction

The very first 'Pop-up Friday' was organized on the topic of Social Entrepreneurship & Food Security on February 27, 2015, in Utrecht. It marked the first of a series of events that focus on social and sustainable entrepreneurship that the Utrecht Centre for Entrepreneurship (Utrecht CE) will organize. As Niels Bosma (UtrechtCE) explained in his introduction, the explicit aim of the Pop-up Friday was to trigger joint initiatives for the near future. To make this happen, UtrechtCE, the Utrecht University Social Entrepreneurship Initiative and Social Entrepreneurs in residence, Martijn Blom and Gert van Veldhuisen (Droomzaken), would team up with an organization that plays a key role in the domain of the specific theme.

The first Pop-up Friday was enabled by the Dutch Food & Business Knowledge Platform (F&BKP) and hosted 35 enthusiastic participants (see Annex 1). The event brought together entrepreneurs, impact investors, practitioners, civil society representatives, academics and students to discuss what the knowledge agenda should look like to improve the impact of social entrepreneurship on food security. The mix of business case presentations (offered by Dadtco, Aqua Spark, and Verbos Business Development), lively interactions and contributions by participants in roundtable discussions, together with creative, inspirational outdoor sessions with unconventional finger food, made the event a success.



Why a meeting on Social Entrepreneurship for Food Security?

Nicole Metz (F&BKP) showed in her presentation the importance of investing and finding creative solutions to tackle food and nutrition insecurity in the world. In her presentation she mentioned that according to the Food and Agriculture Organization of the United Nations (FAO), 805 million people are estimated to be chronically undernourished worldwide. Although many countries have reached the global hunger targets of the United Nations, there have only been modest increases in food security in Sub-Saharan Africa and Western Asia.

Food security depends on four dimensions: food availability (production), food access, food stability/resilience, and food utilization. To bridge knowledge with policy-making in the public and private sectors, the F&BKP aims to connect business, science, civil society and policy. The first Pop-up Friday is one step to improve the relevance and the efficient utilization of Dutch, local and international knowledge and research capacity in the area of food security. This is especially to facilitate knowledge and research that is relevant for Dutch (social) entrepreneurs, traders and investors to increase their impact on food and nutrition security.

The focus of this event was on social entrepreneurs and impact investors because this group of entrepreneurs and investors is not always visible on the radar of policy-makers, researchers and other private sector actors. However, their creativity, innovative methods, and direct approaches to solve problems in the food system (generating social impact is integrated in their business models) are important factors to succeed in the eradication of food and nutrition insecurity.

Set-up of the meeting

During the plenary sessions, three cases were presented. The first was an entrepreneurial case, Dadtco, whose aim is to initiate a cassava revolution across Africa with mobile processing units. The second case was that of an investor, Aqua Spark, investing in aquaculture. The final case presented was also an entrepreneurial one, Verbo Business Development, which is working on a business model to re-use the wastage of cities for soil fertility.

Between the plenary sessions, four groups were working in roundtable discussions on a specific statement. The four statements were:

- 'Entrepreneurs who want to improve food and nutrition security face unnecessary constraints.'
- 'Stakeholders in the food and agricultural sector are focusing too much on existing, larger organizations and are ignoring new, creative and smaller initiatives.'
- 'Small and innovative entrepreneurs struggle to be included in research funding.'
- 'Social entrepreneurs and impact investors in the Netherlands lack networks in developing countries to connect with their peers.'

To stimulate open discussions and to trigger everyone to step out of their comfort zone, the organizers asked Charles Smeets of Bamboo Concepts to set up his VIP bus outside for a variety of inspirational sessions working in partnerships and building social business models. Each group entered the VIP bus and was introduced to an unusual food selection before starting the discussion. The aim of the additional sessions was to identify and articulate strategic knowledge questions, which are important for Dutch social entrepreneurs and impact investors to increase their impact on food security in developing countries. However, it was equally important to let various different organizations understand and get to know each other better, which could be useful for future partnerships.



Three cases

During the plenary sessions, three cases were presented.



Suzanne Vlakveld - Dadtco

Suzanne Vlakveld of Dadtco highlighted, during her presentation, Dadtco's business model to work with smallholder farmers and offer them a guaranteed market. Their cassava processing technology in their mobile units offers smallholder farmers opportunities to add value and to re-use waste water – which substantially saves the total water use. Contracted farmers receive cassava seeds to share with the communities. Dadtco recommended that policies should enhance local sourcing, to reduce the dependence on food imports of countries such as Mozambique and Nigeria.

Mike Velings – Aqua Spark

Mike Velings of Aqua Spark explained during his presentation that bad practices in the aquaculture sector in the past have led to lots of innovation recently. Exciting new technologies are commercially viable now, however, investments are needed to optimize and implement them. As a network of 50 aquaculture experts, Aqua Spark is a key network working with investors and partnering with 'World Fish'. According to Aqua Spark, fish is a highly efficient source of protein and aquaculture can be an important sector for food security.

Aart van den Bos – Verbos Business Development

In the final presentation, Aart van den Bos of Verbos Business Development explained the aqua-soil approach that is now being piloted, including in South Africa. It is a territorial approach with the aim of valorizing industrial and municipal wastewater for agricultural and horticultural purposes through the Aqua-Soil Approach. As such, their business model responds to urbanization and promotes circular economies in both urban and peri-urban areas. The approach itself is a new technology for water purification. The technology creates a vital service for urban centres that are battling, on the one hand, with an increasing amount of raw sewage and, on the other hand, needing to feed an ever-expanding global urban population living with relative water scarcity.

Roundtable sessions

In order to start the discussions and to probe the relevant knowledge questions, four statements were introduced with each discussion table. These statements and the subsequent discussions are summarized below.

Session 1 – Unnecessary constraints

This roundtable discussion on 'Entrepreneurs who want to improve food and nutrition security face unnecessary constraints' focused on four constraints: politics and policy (including corruption); finance; local sourcing; and the lack of (profitable) markets.



Politics and policy

- To deal with local politics, the legal frameworks and the way they are implemented (or not), entrepreneurs need to work with someone on the ground, like a local agent. They also need to build good networks and relationships with other entrepreneurs and NGOs to increase influence and avoid legal obstacles hindering them too much.
- Entrepreneurs must increase their influence on Dutch politics in the debate about small and medium sized enterprise (SME) development programmes.

Finance

- Alternative ways of connecting entrepreneurs with banks/financial services need to be fostered and further developed.
- To decrease the constraints of finance, entrepreneurs should start small, work with savings, create their niche market, and expand wisely by increasing access to the market. Marketing is a key factor in building the market.

Local sourcing

- There are constraints for entrepreneurs to bring local processing to the farmers due to high quality standards, time pressure, as well as getting the volumes and logistics right.
- Working with larger businesses within the value chain can be a solution for entrepreneurs, especially for upscaling their business. Negotiating with large buyers is important. However, working together with big corporations has its own constraints, for example, these corporations outcompeting or taking-over successful smaller businesses were mentioned as serious problems.
- Dutch politics could do more to stimulate local sourcing and stimulating partnerships between big corporations and SMEs in value chain development.

The lack of (profitable) markets

- To create their own niche market in developing countries, social entrepreneurs need to: start small and grow from the local base by involving local communities; be intensely involved - influence the main players; keep on analyzing the constraints to find the best way to deal with them.

What other stakeholders could do?

- The Dutch embassies could help small and innovative entrepreneurs in implementing the above mentioned recommendations and become less focused on the big corporations.
- Corporations could be more serious in linking their business with smaller entrepreneurs. Other players should pressurize international companies to (truly) source locally.

Session 2 – Focus on existing, larger organizations

The question raised by the participants in this roundtable discussion on ‘Stakeholders in the food and agricultural sector are focusing too much on existing, larger organizations and are ignoring new, creative and small initiatives’ was how smaller entrepreneurs can find equal partners in bigger stakeholders, with a special focus on finance and government.



Finance

- It is not only money that entrepreneurs need from investors, but also many need their networks, knowledge and business skills.
- There is enough money available and there are enough investors for the moment, according to the participants. However, the quality of proposals and business plans provided by social entrepreneurs are, in many cases, poor.
- There might be space for some new entrepreneurial investment funds that only invest in the food system and in rural entrepreneurship because agriculture is not a very attractive investment for many investors related to entrepreneurship.
- Entrepreneurs and NGOs involved in developing social ventures have to understand that the long path to find the right investors or loans is not just a constraint, but is also an opportunity to rethink, build networks and improve their business plan.
- Starting the enterprise bottom-up with a small budget does not always work and can leave many entrepreneurs with short-term struggles that distract them from their main business, being creative, and adding social value. However, starting with a small pilot that has been co-financed by investors with the intention to invest more after the pilot has proven successful can be a good alternative for both entrepreneurs and investors.

Public sector

- It is much more difficult for small entrepreneurs to get access and be part of public funded initiatives, to influence policy-making, and to make deals with government than is the case for bigger corporations.
- Aid programmes and private sector development funding should focus on the enabling environment that suits smaller businesses better and to include them in decision-making processes.

Session 3 – Access to research funding

This roundtable discussion session on ‘Small and innovative entrepreneurs struggle to be included in research funding’ focused on the specific constraints but also the opportunities that social entrepreneurs have to finance their research, for example, to understand the local context in which they operate, to (technically) improve their services and products, and to build networks.

- A lot of innovation comes from SMEs, however, many funding programmes for research do not include many smaller entrepreneurs.
- There are many requirements that demand a lot from small entrepreneurs (e.g. co-funding in 50-50 constructions) in order to apply for research funding.
- Entrepreneurs can make use of intermediaries specialized in subsidies and grants that can help them obtain access to the right funds.
- There are opportunities to access academic expertise via ‘knowledge-vouchers’ within the Dutch top-sector policy, however, they can only be used with academic institutions specifically assigned within the top sector.
- Universities and entrepreneurs could work together more. The university can submit proposals for further research that can be beneficial for entrepreneurs.

- A good alternative could be crowdfunding. This can help innovative entrepreneurs through the start-up phase and give them some room to improve and implement their ideas.

Session 4 – Networks in developing countries

This roundtable discussion on ‘Social entrepreneurs and impact investors in the Netherlands lack networks in developing countries to connect with their peers’ concerned how Dutch social entrepreneurs and social entrepreneurs in developing countries, especially in Africa, can be better connected. There is the recognition among the participants that there is a lack of partnerships and cooperation between social entrepreneurs from the Netherlands and social entrepreneurs in countries in Africa, even if several innovation and other hubs and collectives have been established in developing countries.

- It was recognized in this discussion group that the increasing links between NGOs and local networks of entrepreneurs is not enough. Other stakeholders should be included.
- But entrepreneurs themselves should also be participative to connect with local entrepreneurs.
 - Efficiency of current networking processes needs improvement such as:
 - Extra services for small entrepreneurs;
- Embassies have to understand and facilitate entrepreneurship.
- Existing partnership programmes and subsidies are not attractive for social entrepreneurs.
- The concern was also raised about avoiding the situation where the development sector is going from working with ‘donor darlings’ to investing in ‘investment darlings’. NGOs, embassies and impact investors should not opt for the easiest way of investing, i.e., in the same people and organizations they know the best. They have to put more effort in concepts to spot new talented entrepreneurs.
- The Netherlands should focus on policy to connect different knowledge and mixing expertise. Letting small entrepreneurs in the Netherlands and in developing countries work together on an equal basis within partnership programmes can generate innovation and local food solutions.
- Issue for the knowledge agenda: What approach works best? Which models of connecting entrepreneurs (and impact investors) are generating the best results?

Conclusions and follow-up

The lively discussions in the roundtable sessions shed light on the constraints that social entrepreneurs face, but also on how to deal with them, including the opportunities and solutions there are to improve the impact of social entrepreneurship. The discussions gave a good insight into the topics and questions that should be included in the knowledge agenda on social entrepreneurship for food security.



- If social entrepreneurs want to add value to local communities by working on local processing methods, they face constraints due to high quality standards, time pressure, as well as getting the volumes and logistics right. Better insights, lessons learned, and implementing best practices in what is and what is not working is necessary.
- Access to finance is a constraint for most small entrepreneurs. Finance fairs and crowdfunding can help small and medium entrepreneurs. SME funds and funding for social entrepreneurs are emerging, however, more insights into how such funds are organized and can be optimized to increase their impact is recommended.
- Access to other sources of funding (subsidies and research funds) is difficult for social entrepreneurs. How can existing funds for partnerships and research be more inclusive to include smaller entrepreneurs?
- Understanding the local context, working directly with local agents and other local stakeholders and especially making use of networks of local entrepreneurs is important. NGOs are at the forefront of connecting knowledge in the Netherlands with small entrepreneurs in developing countries. However, the processes can be much more efficient and should include more stakeholders. Insights into what works, and what does not, in current frameworks that try to connect small entrepreneurs and local stakeholders are very welcome.
- The advice to the Dutch embassies and the Dutch Ministries in The Hague is that private sector development must include SMEs and social enterprises. The embassies can, for example, facilitate and connect local entrepreneurs with Dutch entrepreneurs and link them to other stakeholders. The question is what innovative ways are there in which embassies or consulates all around the world can stimulate entrepreneurship (e.g. [Silicon Valley](#)).
- Universities in the Netherlands also play a role in stimulating social entrepreneurship and cooperate with entrepreneurs in research and development. What are the lessons learned so far?
- It was questioned how serious large corporations are in linking their business to smaller entrepreneurs. How inclusive are their business models to cooperate with social entrepreneurs? Insights are needed into who is paying what price in such partnerships? Finally, how can small business continue to operate independently when they are in a partnership with large corporations or other big players in the value chain?

The cases discussed are active at different scales; this shows the variety of ongoing 'social entrepreneurship' initiatives. Some cases had a clearer link with food security impact than others. Starting a social business always involves risks. However, lessons can be learned and knowledge can be shared more effectively among relevant stakeholders to improve the social impact of social entrepreneurship on food security. A successful knowledge agenda would therefore support social entrepreneurs to establish more effective social businesses and equal partnerships in which social entrepreneurs participate.

This Pop-up Friday was a good opportunity to explore the different knowledge questions. The F&BKP in cooperation with the Centre for Entrepreneurship and Droomzaken will now explore further how the questions raised in this meeting can be the topic of follow-up sessions, research, as well as how they can be integrated with other knowledge trajectories in which the F&BKP is engaged.

Annex 1 – List of participants

Participants	Organization
Leonard van Biljouw	Annexx
Mike Velings	A-Spark
Amy Norogratz	A-Spark
Marijn Smeets	Business in Development (BiD)
Hein Roelfsema	Centre for Entrepreneurship
Ibrahim Palaz	Cordaid
Suzanne Vlakveld	Dadtco
Arnoud Braun	DIBcoop
Jildou Steensma	Enviu
Josine Janssen	Enviu
Sabine Biesheuvel	Enviu
Katja van Dien	Funky Junk Recycled
Marc Lansu	Funky Junk Recycled
Rudy van der Aar	GRO-Holland
Bob Koopmans	Holland Water
Jan Koopmans	Holland Water
Hugo Verkuijl	HIVOS
Jaap Spreeuwenberg	HIVOS
Coen van Iwaarden	Impacto 4 Development Consulting
Lisanne Beijik	JongeHonden
Diede Sterrenborg	JongeHonden
Marnix ter Holder	JongeHonden
Marloes Otten	Partos
Marius Koops	RVO
Alex Hennekens	Society for International Development
Koen van Seijen	Toniic
Guus van Westen	Utrecht University
Sanne Bleeker	Utrecht University (student)
Adrienne Acioly	Verbos Business Development
Aart van den Bos	Verbos Business Development
Organizers	Organization
Niels Bosma	Centre for Entrepreneurship
Martijn Blom	Droomzaken
Romy Nollen	Droomzaken
Nicole Metz	Food & Business Knowledge Platform