

AGRIPRENEURSHIP AND MSMEs RESURGENCE



**THE ROLE OF
ENTREPRENEURSHIP
IN POST COVID-19
RESURGENCE**



IMPORTANT NOTE:

Please consider that the content in this presentation was prepared by, and belongs to, the respective panelists and does not necessarily represent the views or opinions of UNITAR and UNCTAD.

Programme

PANELISTS



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Welcome remarks and introductory presentation by



• **Mr. Alex Mejia**, Director of the Division for People and Social Inclusion, UNITAR

Inaugural remarks by



• **H. E. Luis Gallegos**, Chairman of the Board of Trustees, UNITAR



• **Ms. Tatiana Krylova**, Head of the Enterprise Branch, Division on Investment and Enterprise, UNCTAD

Q&A session

Moderator

Mr. Alex Mejia

Director of the Division for People
and Social Inclusion, UNITAR



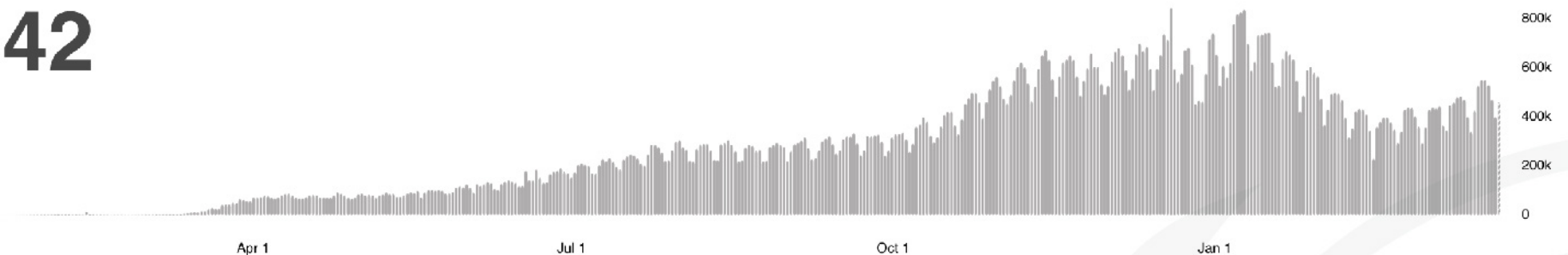
CURRENT GLOBAL COVID-19 FIGURES

Globally, as of 2:41pm CET, 24 March 2021, there have been 123,902,242 confirmed cases of COVID-19, including 2,727,837 deaths, reported to WHO. As of 24 March 2021, a total of 431,895,992 vaccine doses have been administered.

Global Situation

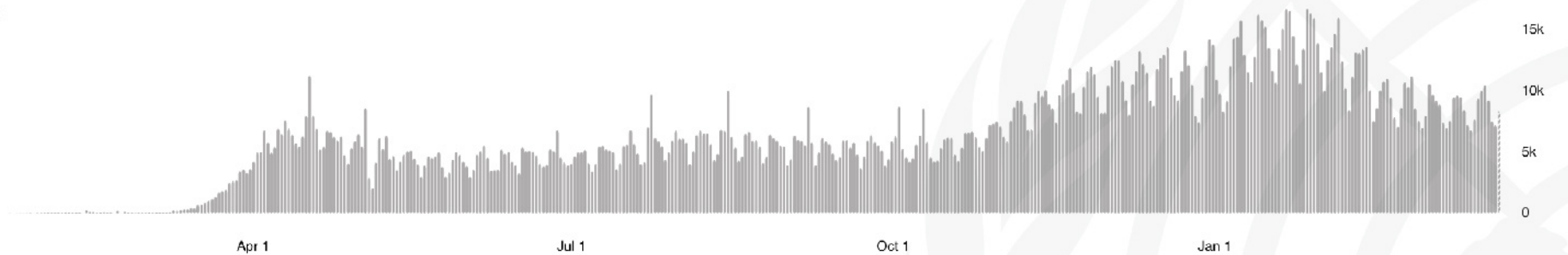
123,902,242

confirmed cases



2,727,837

deaths



Source: World Health Organization

Data may be incomplete for the current day or week.

COVID-19 AND ENTREPRENEURSHIP

The coronavirus (COVID-19) outbreak has caused a global health emergency and a global economic slowdown, among other consequences.

Trade, investment, growth, and employment are all affected and the crisis will have an impact on the achievement of the UN Sustainable Development Goals. Likewise, as with any crisis, the situation has become even worse in developing countries, where the stability or growth for start-ups and MSMEs has been significantly endangered. Every business that has been forced to close, leads to multiple stories of unemployment, economic and social dislocation, as well as staggering uncertainty.

It remains paramount that governments, in partnership with different stakeholders dedicate their support to drive competitiveness of micro, small and medium-sized enterprises (MSMEs) with a particular focus on those small businesses in developing countries.

“We need a fundamental rethinking of SME and entrepreneurship policies to improve business conditions and access to resources. We need a renewed measurement agenda to understand how countries, regions and cities can capitalize on their many diverse small businesses as drivers for inclusive and sustainable growth.”

- OECD Secretary-General Angel Gurría



“AGRIPRENEURSHIP”

Definition:

Agriprenurship refers to entrepreneurship in agriculture.

Why the transition to “agriprenurship”?

Agricultural markets have been experiencing a massive transition within the last 30 years from local market trade to a global market system.

The result:

Local farmers are competing against the world’s largest agricultural corporations.

THE SOLUTION IS ENTREPRENEURSHIP

Farmers need to become entrepreneurs and adopt an agriprenurship model that will help them create their local clusters and start increasing their production as a synergy and not as individual local farmers.



HOW TO BE AN “AGRIPRENEUR”?

CHANGING THE MINDSET OF A LOCAL FARMER TO INCREASE PRODUCTION

The key in the shift of thinking is understanding the role of the farmer entrepreneur in the new market, identifying all the potential clients of this new and innovative type of entrepreneurship (agripreneurship), as well as defining the business idea behind the value chain.

This means that the farming enterprise needs to maintain the percentage of the value they provide in every single transaction. Entrepreneurship is about high quality and value.



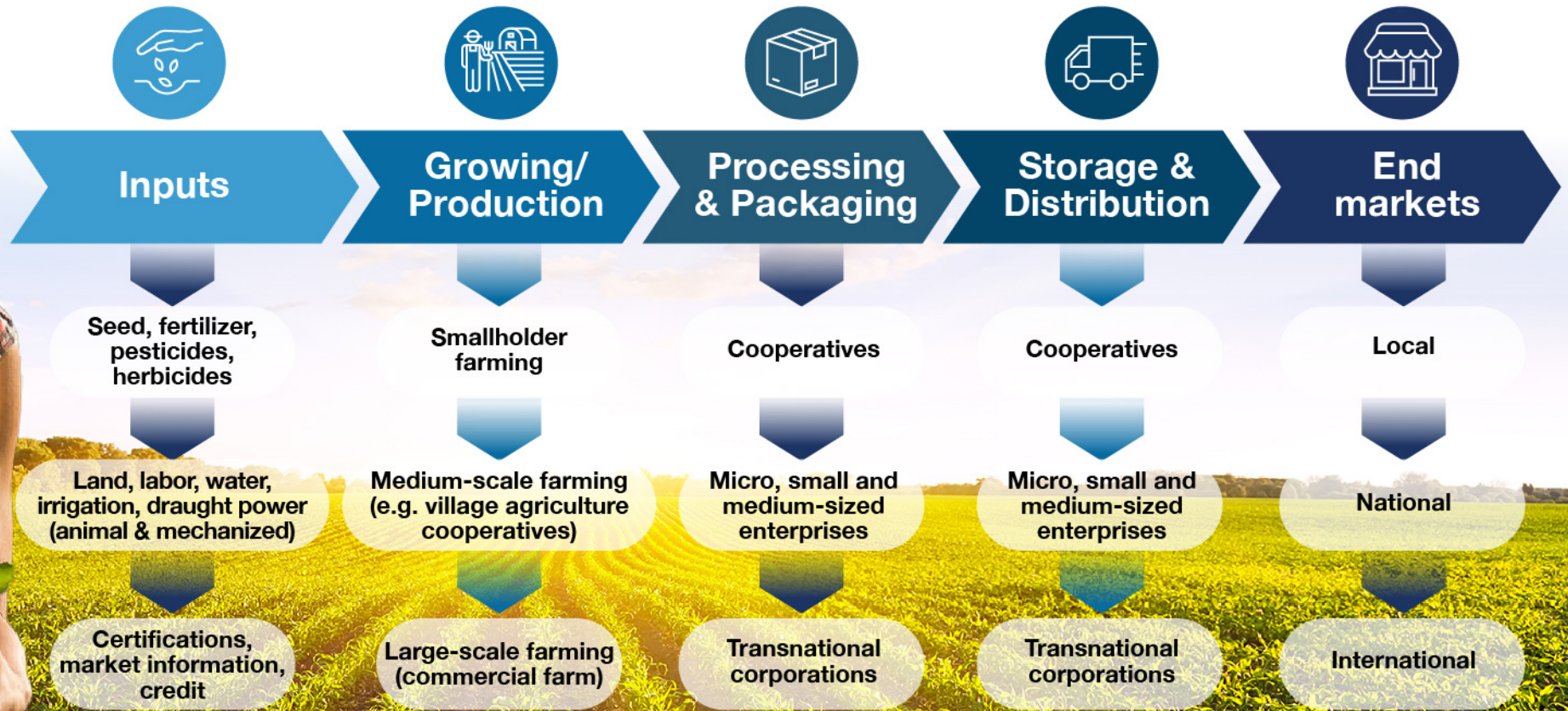
AGRIPRENEURSHIP FOR MSMEs

Establishing more MSMEs in the agriculture sector is crucial to achieve the Agenda 2030 and its SDGs, especially when taking into account the rural poverty level in developing countries.

The commitment of a country to adopt agripreneurship as a strategy for MSMEs is a major driving force in reducing poverty, as well as creating sustainable employment and economic growth.

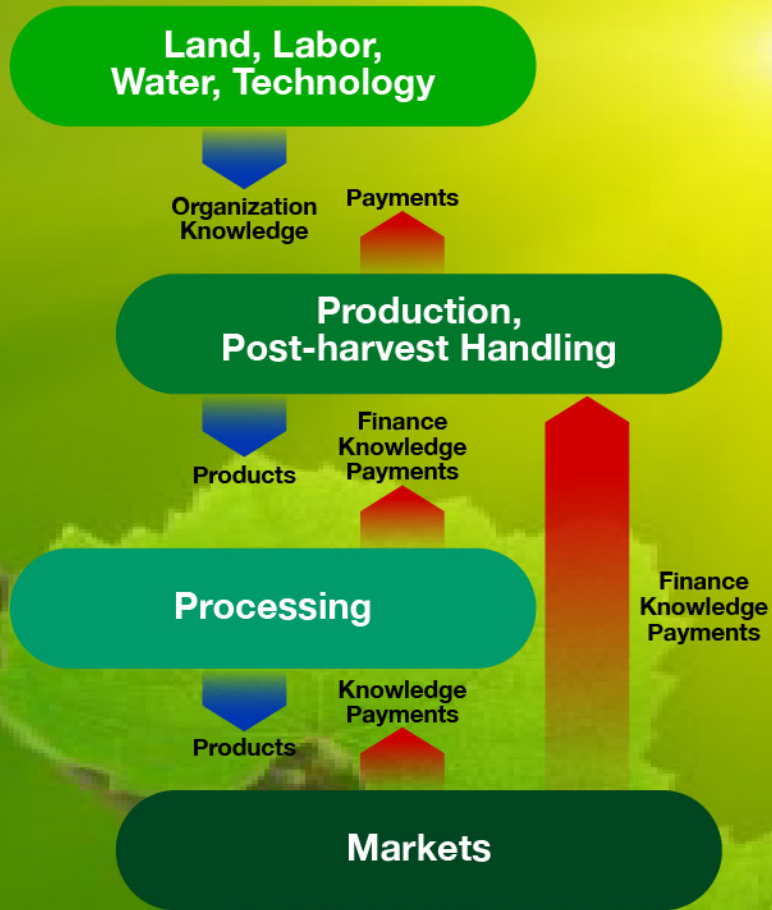


THE CONCEPT OF AGRICULTURAL VALUE CHAIN



S U P P O R T I N G I N S T I T U T I O N S

VALUE CHAIN OVERVIEW



THE GLOBAL FOOD SUPPLY CHAIN



Agriculture
Food is supplied by arable, horticultural livestock and dairy farms



Industry
The industry enforces quality checks and food standards. Also undertakes processing



Distributors
Food reaches consumers through distributors. Supermarkets allow consumers to have a choice and compare products



USE OF TECHNOLOGY IN THE AGRI-FOOD CHAIN



Precision Farming Systems

- Optimal Fertilizer Usage
- Control Water Supply and Usage
- Soil Conservation



Innovations in Logistics

- Mobile Apps
- Farm Machinery
- Modern Transportation



Food Safety

- Integrated Pest Management
- Anti-Counterfeiting
- Supplier Audits



Traceability

- Demanded by the Consumer
- Increases Perception of Product Value
- Incorporates Concept of Sustainability

Inaugural Remarks

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Ms. Julian Nyamahunge Omalla

Founder and Managing Director of
Delight Uganda Limited



How has COVID-19 affected the global and regional agricultural value chains and how have entrepreneurs and MSMEs responded to the crisis?



Its true that COVID 19 has affected the entire globe in the agricultural value chains.

Countries which had developed in agricultural value chains and sectors have been highly affected by the lock down and imposed restrictions.

We have 2 kinds of effects, i.e on the exporting and importing countries of agricultural products. The exporting countries can no longer export due to restrictions. Importing countries can no longer receive the imports.

Emphasis on production, storage facilities, value addition and skilling as a way to go

How can small entrepreneurs and MSMEs in agricultural sector integrate and contribute to the foodtech revolution?



- On realizing the challenges (as a juice processor), we had to concentrate on a complete value chain of fruits, i.e the nursery, orchard management practices, post harvest management, and value addition. In the same way, at our Delight Farm Institute, we had to concentrate on efficiency and effectiveness to yield better productivity by skilling and training ourselves as a team. After mastering the procedure, we had to spread the gospel and invite our young people and skill them on hands on in nursery management practices, orchard management practices, post harvest handling so that they go back and do the same by employing themselves and be able to employ others.
- In our farm, our orchard is always intercropped with oil seeds and cereals, which we harvest seasonally and also do complete value chains. This extends into the training of young people which as they keep waiting for the fruits in the long term, they get food for subsistence and the surplus for sale.
- Delight Uganda offered 4 Acre land to Nwoya Fruit Growers Cooperative Society to establish a common user facility to allow in all those who have anything for value addition to join into a complete value chain.

What policies and measures can governments implement to promote sustainable agricultural production and sustainable agricultural value chain?



- Promotion of food production for consumption and surplus for sale in a sustainable manner.
- Mandatorily force food contribution to silos both the formal and informal sector must equally contribute to food storage.
- Provide value addition facilities for the stored produce.
- Skilling at every level of the value chain

What are the key challenges and good practices to be considered to strengthen the role and productivity of the MSMEs in agriculture and food industry? What capacity building programmes are available in this regard?



- The wide knowledge between the informal sector, which incorporates the agricultural producers, and the formal sector, which constitutes the policy makers. The formal sector has the knowledge but does not know how to reach the informal sector and vice versa.
- A good practice is to narrow the gap where the formal and informal can work as one.
- Delight Farm Institute has embodied the informal sector and called upon the formal sector to come together and each one shows the other how it is done. Capacity building is needed.

Mr. Ranveer Chandra

Chief Scientist of Microsoft Azure Global;
Founder of FarmBeats project
at Microsoft Research in 2015.



Ms. Linde Wolters

Communications Lead for policy and outreach strategies of SEED,
A global partnership for action on
social and environmental entrepreneurship



Resilience for Agri- Eco-Inclusive MSMEs

*A Green Recovery: Building Resilience for Agri-Eco-Inclusive
MSMEs after COVID-19*

March 2021

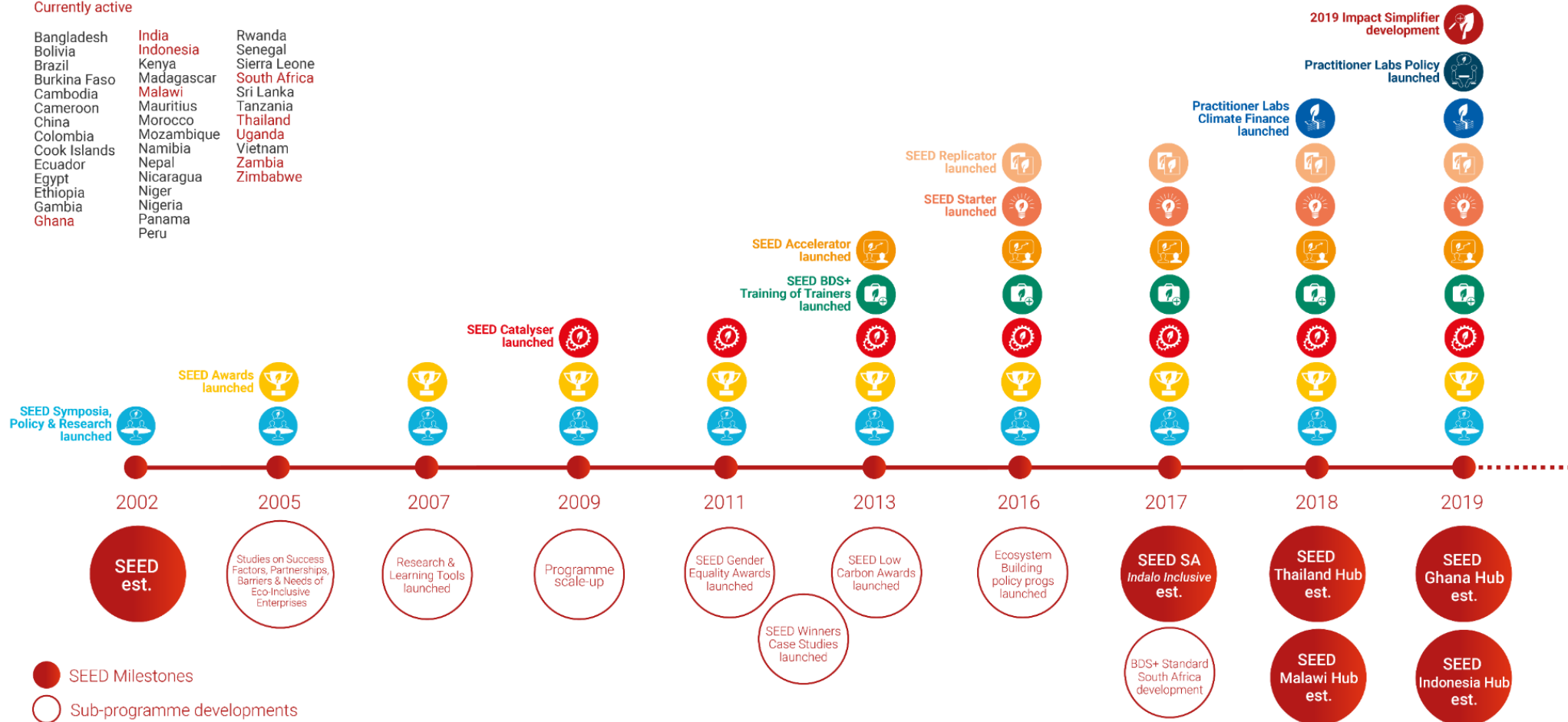


SEED HISTORY & GROWTH



SEED Countries Currently active

Bangladesh	India	Rwanda
Bolivia	Indonesia	Senegal
Brazil	Kenya	Sierra Leone
Burkina Faso	Madagascar	South Africa
Cambodia	Malawi	Sri Lanka
Cameroon	Mauritius	Tanzania
China	Morocco	Thailand
Colombia	Mozambique	Uganda
Cook Islands	Namibia	Vietnam
Ecuador	Nepal	Zambia
Egypt	Nicaragua	Zimbabwe
Ethiopia	Niger	
Gambia	Nigeria	
Ghana	Panama	
	Peru	



Mapping Enterprise Resilience to COVID-19

Authors from multiple disciplines have noted a wide range of definitions of resilience (Béné et al., 2003; Galopin, 2006; Davoudi, 2012; Alexander, 2013; Olsson et al., 2016). A narrow or wide the word 'resilience' is defined (Béné et al., 2003). A dynamic understanding of resilience. A functional understanding of resilience. A dynamic understanding would be a return to a steady state. A dynamic understanding would be a return to a steady state. A dynamic understanding would be a return to a steady state. A dynamic understanding would be a return to a steady state.

In an effort to understand how eco-inclusive enterprises are resilient to the economic shock of COVID-19, and show varying levels of resilience, the study conducted 30 interviews with eco-inclusive enterprises. It was found that these enterprises have strong capabilities, long-standing networks, and local knowledge as business and continue to provide green solutions and address environmental challenges.

Drawing on the interviews, six critical resilience factors have been identified:

1. Business resilience
2. Financial resilience
3. Organisational resilience
4. Ecosystem resilience
5. Market resilience
6. Impact resilience

These resilience factors describe different facets of an enterprise's ability to withstand environmental shocks. The enterprise response includes active adaptation or 'bouncing back', but also 'shock absorbing', 'evolving and transforming', and 'transformative' (Béné et al., 2003).

Six Critical Resilience Factors



MAPPING ENTERPRISE RESILIENCE TO COVID-19

Mapping Enterprise Resilience to COVID-19

Case Study Report

BUSINESS RESILIENCE

FINANCIAL RESILIENCE



Case Study Report

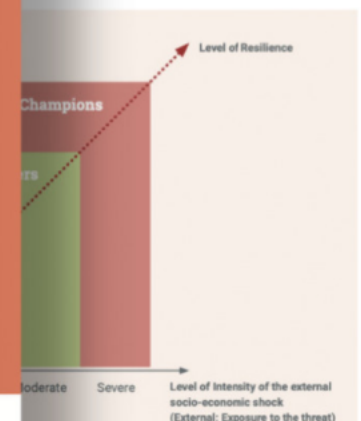
The study developed a self-assessment tool for enterprises, which enables them to assess their resilience by covering the six resilience factors. Results from the self-assessment tool can be mapped to show the level of resilience to respond to external shocks, which can be mapped to show the level of resilience to respond to external shocks.

Enterprises that are able to cope with negative external impacts. These enterprises – those in comparatively stable conditions, however struggle in the ability to adjust their enterprise practices in an agile manner to respond to the negative impacts of the shock. This study in place new organisational processes to buffer the negative impacts of enterprises shows a transformative capacity to respond to the shock or product or service portfolio to respond to the shock, or more broadly "innovate within their enterprise, their market, or even their industry during a pandemic.

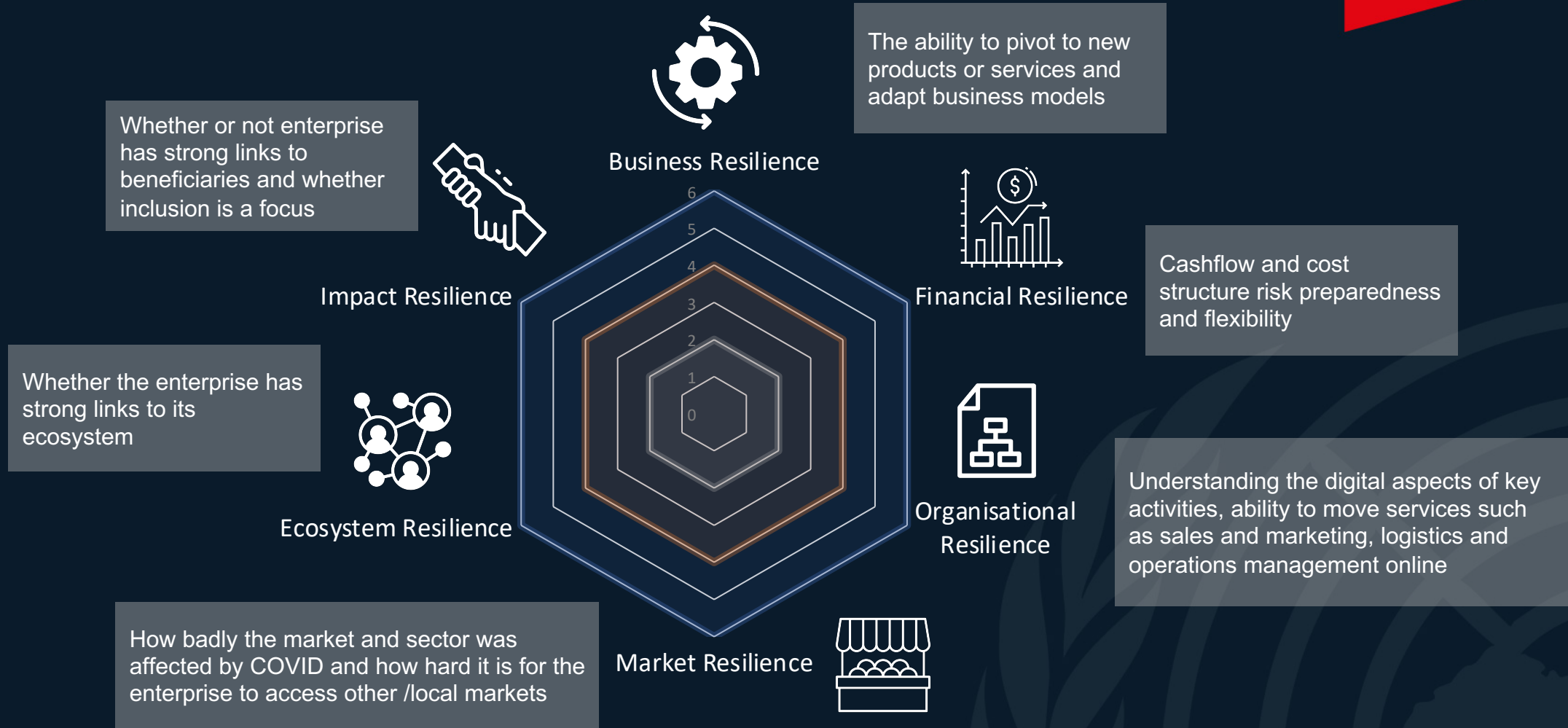
The study identifies "starters", "movers", and "champions" can be mapped out along their resilience level as well as the intensity of the external shock, which is closely related to the level of resilience (heavily dependent on tourism or international value chains).

Enterprises that were not in a position to pivot to serve a new market or product or service portfolio were cash-constrained even before the crisis, and they managed to continue operations at a steady level, but not to grow, and enterprise partners.

Resilience Matrix



Resilience factors identified for enterprises



Resilience Self-Assessment Tool

When?

Resilience helps your team prepare for different future scenarios which may happen in your businesses market environment. This tool is essential when considering new market or when major events take place. It helps you and your team foresee possible consequences of such events to your product/service and business model.

What?

This tool helps identify weak and strong resilience dimensions of your enterprise

How?

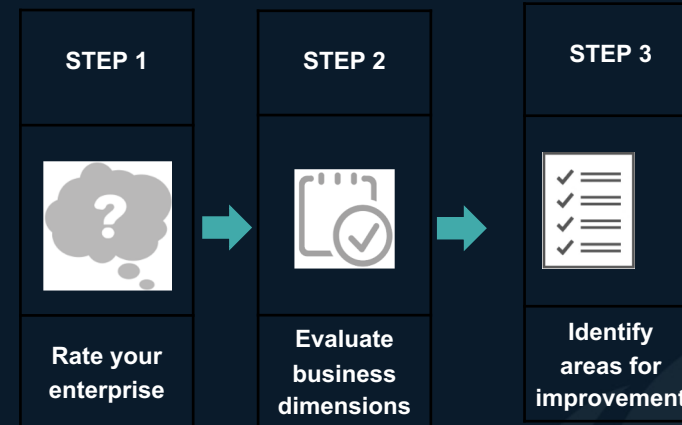
This tool is best applied in team brainstorming to help critical and strong dimension and reflect on how to improve here.

Key outcomes



- To identify weak and strong resilience dimensions of your enterprise
- To develop plans to strengthen these dimensions

Steps



Examples of resilience during COVID-19



Green Honey (Ghana, Sustainable Agriculture)

Green Honey trains farmers to integrate beekeeping into crop farming as a method to reduce chemical use, increase crop yield, and improve food quality. The bee products are purchased from farmers to provide a ready market and diversify income streams. The products are then re-packaged and sold to retail outlets such as supermarkets. The enterprise faced disruption to their operations and difficulties transporting their produce during COVID- relying on public transport for distribution. **Besides stocking up early and planning fewer but bulkier deliveries, the enterprise developed an online shop and purchased their own vehicles for distribution.**



FAM Organic (Indonesia, Agriculture)

Before COVID-19, FAM Organic used online channels for marketing activities to create awareness of organic farming concepts and promote their organic vegetable products. **During the pandemic, FAM Organic developed farm management applications that calculate each crop/plot growing cycle so that the CEO can create a COVID-19 proof schedule, having only the necessary staff at work. This enabled social distancing at the workplace and efficient farming at the same time.**

Examples of resilience during COVID-19



Gorilla Conservation Coffee (Uganda, Sustainable Agriculture)

This enterprise pays a premium price on coffee beans grown next to Bwindi Impenetrable National Park in Uganda. Supporting local farmers helps to protect the critically endangered gorillas living in the park and increases income to local communities. This area was heavily affected by COVID-19, as the main income source comes from tourism for gorilla trekking. **Gorilla Conservation Coffee seized this period to create a market outside of Uganda to sell their coffee. They were able to get their first UK distributor outside of Uganda, as clients were keen to support gorilla conservation even if they are not able to visit them.**



Fang Thai (Agricultural waste, Thailand)

Fang Thai's produces alternative paper packaging from farm waste rice straw. Their factory is located right next to input materials and the enterprise's labour source. This proximity eliminated logistic obstacles during the COVID-19 period when movement was restricted. **A deep understanding of its value chain, market, and competitors created an opportunity to serve new customer groups during this period rather than scaling back.** Fang Thai found a market opportunity in the mulberry paper business; it is now marketing its rice straw pulp as an alternative raw material and input for the paper factories that previously produced mulberry paper products.

Policy recommendations to encourage resilience in agri-enterprises

Financial Support



To tackle ongoing COVID-19 pandemic fall-outs and future crises, government actors should consider quick direct financial support to MSMEs to ensure job keeping. Support suspension or renegotiation of payments for loans and/or provide MSME tax breaks. Government guarantees for quick and low-interest loans are key as well (derisking commercial players).

Crisis insurance for MSMEs



A special government insurance scheme can be set up for MSMEs and their employees against (pandemic or other climate) shocks or existing government insurance schemes can be expanded to include MSMEs. Government supported and private or civil society implemented early warning systems that recognise weather, drought, or market crises may help MSMEs anticipate and better plan for future shocks.

Policy recommendations to encourage resilience in agri-enterprises



Encourage local supply chain building

Complex supply chain challenges cannot be solved by individual efforts and require industry wide collaboration. Government can set common standards and share best practices for sustainability performance, and develop platforms to link local demand and supply.



Simplified access to markets

Simplified registration and formalization for health-relevant or green and socially-inclusive MSMEs will enable both economic resilience and the achievement of relevant societal (including health-related) objectives.

Policy recommendations to encourage resilience in agri-enterprises



Bring a digital focus into new or existing government MSME support programmes

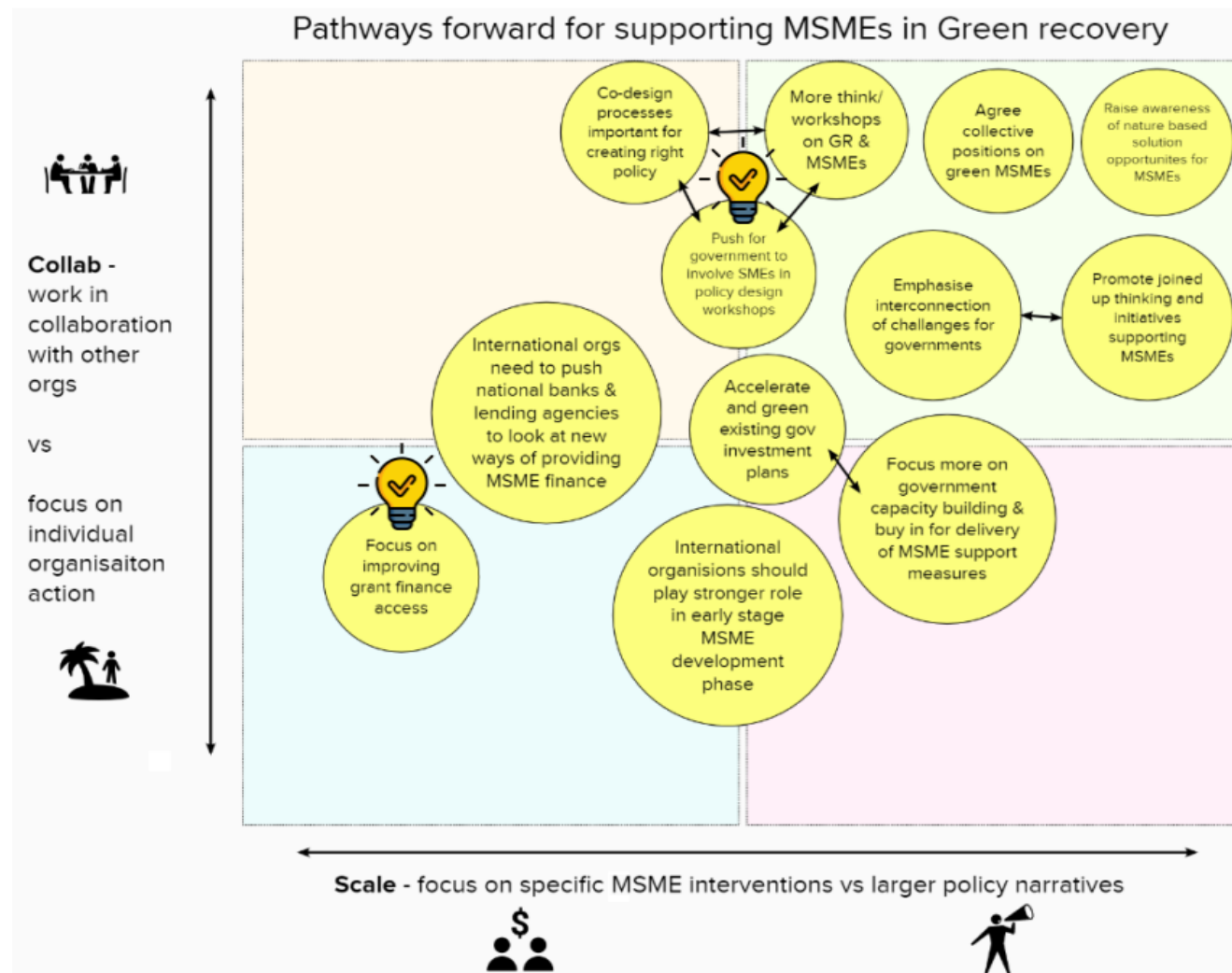
The crisis is accelerating the adoption of digital technologies both to honour social distancing rules and to expand to markets in lockdown. Governments should consider mainstreaming digital solutions in government schemes and programmes to adapt to this new normal.



Inclusivity in programme design

The ability of MSMEs to withstand crises hinges on the choices leaders make today. Government should prioritise support of eco-inclusive MSMEs in their programmes and policies, given how strongly linked the performance of such MSMEs is to addressing unemployment among less educated and often marginalised populations, and to poverty reduction and gender equality.

Interventions and pathways forward for supporting SMEs in Recovery





SEED Partners



SEED Hosting Partner



SEED Founding Partners



Mr. Sriram Gopal

Founder and CEO of FutureFarms.



Q & A session



Thank you!



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