

Blossoming business network helps East Africa

With philanthropic donations from the Wageningen Food for Thought campaign, East-African SME business owners have built up a network in the agri-food sector. This is proving good for both the entrepreneurs and for rural communities. ‘The income of more than one million small farmers has gone up by a third.’

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You could hardly find a finer example of what the African Agribusiness Academy (AAA) makes possible in East Africa: early in October 2018, 150 local agribusiness entrepreneurs came together at their own expense for a week in the Ugandan capital of Kampala. They shared knowledge and experience, and made trade deals worth over 1.2 million dollars.

The AAA is a network of small and medium-sized companies in the agri-food sector in East Africa. It was set up in 2010 on the initiative of the Wageningen Ambassadors and WUR. Thanks to the Food for Thought campaign (2013-2017), a University Fund Wageningen fundraising campaign, the initial business club was expanded into an autonomous member organization led by an African team. Philanthropic partners (private donors, foundations and companies) invested two million euros in the new organization, the Dutch government doubled that amount and AAA members themselves contributed in money and in kind.

Jan Kat of the DEKA Foundation was one of the philanthropic partners. ‘My eldest brother and I studied in Wageningen. Contributing to this project struck us as a nice way to give something back. The AAA

‘You can’t go any faster than the local momentum’

project appealed to us because it’s about entrepreneurship and in our foundation we were looking for something at the intersection of education and development.’ The money was used to help AAA members with business plans, to provide training, and to engage Wageningen experts to support the establishment and expansion of the network. At the end of the project, the organization, which has been completely autonomous since the end of 2017, received a further one million euros from the Dutch government (the Directorate-General for International Cooperation).

FIFTEEN BUSINESS CLUBS

The AAA is now active in six countries – Kenya, Uganda, Tanzania, Ethiopia, Malawi and Rwanda. A secretariat in Kampala led by director Farid Karama leads the organization and supports the country branches. Fifteen

business clubs are up and running in the six countries, where members get together and training and workshops take place. Karama, a Ugandan, has been a member of the AAA since 2011, and he was enthusiastic about the entrepreneurs’ network from the start. ‘You can help each other grow.’

The AAA has changed the lives of many entrepreneurs, says Karama. ‘They got access to financing through better business plans. Between 2013 and now, companies have grown by an average of 30 per cent thanks to deals among them, improved marketing, branding, and support they got in financing and management. Strong mutual trust has grown up too, which makes it possible to share knowledge, do joint marketing or, for example, buy packaging together.’

The AAA may be a business association, but the ultimate goal of the organization is ‘to contribute to economic growth and improving farmers’ incomes and food security in Africa,’ says Karama. One condition for membership is that the entrepreneur works with small, local farmers. That approach, stimulating rural development by supporting SMEs in the agri-food sector, appears to work. ‘In the period from 2013 to now, the income of more than a million small farm-



ers who supply AAA members has gone up by 35 per cent,' says Karama.

IMPACT ON FARMERS

'Large sums have been invested in the AAA project, but if you look at the impact it's already had on farmers, that is certainly justified,' says Bram Huijsman, former director of Wageningen International at WUR. He came up with the idea of the business club in 2010, and has been involved in the AAA since then, together with former Wageningen Ambassador Piet Heemskerk. 'We wanted to stimulate entrepreneurship in Africa in the supply chain between the farmer and the market. The SMEs form a crucial link in that chain,' states Huijsman. 'We thought beforehand: this is such a good idea, it is bound to take off. But that's not how things work. Building up a member organization is a long-term process. You can't go faster than the local momentum. The entrepreneurs have to build it up themselves. We coach, but they've got to do it. So they largely dictate the pace.'

Jan Kat could see that the AAA programme was 'outside Wageningen's comfort zone'. 'But the commitment of the researchers was tremendous. They contributed to laying foundations that the organization can now go on building on.'

The development of AAA has gained momentum now. As of 2019, the AAA has 260 paid-up members. Karama's ambition is to grow to 500 members in 2020. Initially in the current six countries, but Ghana, Zambia and Nigeria have shown an interest as well. AAA recently started offering funding for loans of between 2000 and 20,000 dollars as well, without requiring any security. The money for this comes from a number of philanthropic partners who contributed to the Food for Thought project too. Another sign that the AAA has reached maturity is its growing influence. The organization is recognized by the government of the six East African countries as a representative of SMEs in the agri-food sector. Karama: 'We join the conversation about agribusiness policy, entrepreneurship and trade issues. Many people and organizations follow us and appreciate what we do. Our visibility is growing.' ■



Network activities run by the Africa Agribusiness Academy in East Africa.

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