

### **Enabling Value Addition in Agriculture through Innovation and Entrepreneurship**







Maputo, Mozambique March 2012



### A donor funded program in the Financial and Private Sector Development Department of the World Bank Group

Mission: To promote the growth of innovative enterprises to enhance sustainable inclusive growth, competitiveness and job creation



Goals



- Create and grow competitive and sustainable enterprises
- Promote an enabling environment for innovation



# **Products**

- Research and Knowledge -sharing
- Capacity building
  - Policy toolkits
- Stakeholder convenorship and global networks
- Project preparation and implementation



**Outcome** 

- Diffusion of new products and services
  - Sustainable job creation
- Increase in economic competitiveness and sustainable development















### Incubating Enterprises in Three Sectors:

Information and Communication Technologies, particularly mobile

### Climate Technologies

### Agricultural Value Addition

### Supported by Cross-Sectoral Services:

Global Forum on Innovation and Technology Entrepreneurship:

India, 2006 + 2008 Helsinki, May 2011 South Africa, 2013 Access to Finance and Markets (A2F & A2M): Bridging the gap between SMEs and funding sources, customers and partners

Incubation Training:
Enhancing the
capacity of
developing country
incubation
managers

Bridging the gap between SMEs and funding sources, customers and partners

**Networks:** 



# Harnessing a global network of incubators and SMEs

#### **Snapshot of Results**

- 300+ incubators globally
- 100% locally owned and operated
- 6 Regional Networks
- 80+ developing countries
- 20,000+ SMEs assisted
- 220,000+ Jobs created
- 90% success rate of incubators
- 75% survival rate of incubated SMEs 3 years after graduating
- ~1:1 leverage with local partners

Focus on enterprises that use innovation to deliver competitive solutions to increase market reach



Regional Networks: Asia, Africa, ECA, Middle East / North Africa, Latin America / Caribbean Global Communities
of Practice:
Youth, Women, ICT
High Growth, Agribusiness



# Enabling Agribusiness Innovation and Entrepreneurship



Assessment and Training in Agribusiness Incubation: Innovative approaches to promoting value-addition in the agricultural sector





Global Community of Practice on Agribusiness Innovation and Entrepreneurship

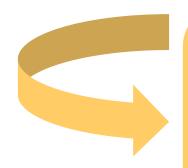


## **Enabling Agribusiness Innovation and Entrepreneurship in Mozambique**



### **Starting Point**

- Opportunity:
  - Mozambique has a comparative advantage in production in some agricultural sectors (e.g. Cashew, Banana)
- Challenge:
  - In many of these sectors:
    - Farmers experience tremendous post-harvest losses
    - The products are exported as unprocessed raw materials
    - Processed agricultural products are imported
    - Agricultural outputs are not consistently of good quality



How can we leverage Mozambique's comparative advantage to enable the start-up and growth of innovative SMEs that

- increase the incomes of farmers?
  - create new jobs?
- provide Mozambican consumers with quality products and affordable prices?

Particular focus on value addition



### **Enabling Entrepreneurs**

#### **Resources Required by Entrepreneurs**

Innovative entrepreneurs who wish to start and accelerate an agribusiness require:

- Access to market information, skills, finance, quality inputs and technologies
- 2. Enabling business regulations
- 3. Adequate infrastructure (roads, electricity, telecommunications)
- 4. Favorable market conditions

#### **Stakeholders Who Affect Access to Resources**

The extent to which these resources are provided depends on

- Policymakers and regulators
- Academic institutions
- Financiers
- Farmers and industry



# Exploring Options through Stakeholder Engagement Feb-June 2012

What are the agricultural sub-sectors, products and/or value chain segments that offer high growth opportunities for Mozambique?

Who are the stakeholders in enabling enterprise startup and growth in these sectors?

What barriers do innovative entrepreneurs face to starting and growing their businesses in these subsectors? What service offerings are already being provided? What are their unmet needs?

Workshops
Interviews
Surveys
Literature Review

Global good practice

Agri CoP

What is a service offering that could be designed to enable the start-up and growth of agribusiness SMEs?

What would be the business model for provision of these services. Who are the partners who could bring it to fruition? Where should the service provision be hosted?



#### **FACILITATION AND PARTNERSHIP**

- Listen to Mozambican stakeholders to understand the opportunities, challenges and needs
- Introduce examples, good practices and lessons from across the continent and beyond
- Co-design a model and identify implementation partners
- Co-present the model for implementation funding
- Guide implementation of a locally owned and operated service offering

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