

FOCUS ON FARMER ENTREPRENEURSHIP FOR FOOD SECURITY

CO-CREATING INNOVATION, AGRI-BUSINESS DEALS
AND POLICY CHANGES

Agri-ProFocus Strategy 2013 - 2016
September 15, 2012



A large, vibrant collage of images and text. The central focus is a diamond-shaped arrangement of four photographs: a man in a white shirt holding a fruit in a field, a group of men in suits reviewing documents, a woman in a patterned dress speaking at a chalkboard, and a group of people sitting at a table outdoors. The collage is overlaid with various text elements: "JOINT ACTION" (top), "OWNERSHIP" (left), "PRODUCER ORGANISATIONS" (right), "PARTNERSHIP" (bottom), and "CHANGE" (bottom right). The central "AGRI PRO FOCUS" logo is also present. The background is a light green grid pattern with faint, repeating text such as "COOPERATIVE", "PARTNERSHIP", "LEARNING", and "AGRI-PROFOCUS.NL".

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PREFACE

Agri-ProFocus was founded in 2005 when 19 Dutch organisations signed a partnership agreement, committing themselves to cooperate in offering more and better support to producer organisations in developing countries. In 2012, this initiative has grown into a multi-actor network that places entrepreneurial farmers and their producer organisations in developing countries centre stage. It was evident from the start that, to work both efficiently and complementarily, companies, government, NGOs and research and finance institutions had to join forces. The network now includes 35 member organisations in the Netherlands, as well as over 2500 agri-professionals in 11 Agri-Hubs in Africa and another 2000 worldwide (incl. the Netherlands) that share, co-create and innovate.

Agri-ProFocus is funded by its Dutch partnership members, the Dutch Government and the numerous organisations that are participating in one or more Agri-Hubs. Agri-ProFocus is currently operational in Africa, but has recently been asked to extend its experience to a number of countries in South-East Asia.

Agri-ProFocus is now heading towards its next phase in 2013-2016. In consultation with DGIS/DDE and our members, it was decided by the Board that the strategy development would be based on a self-evaluation process, rather than an external evaluation. This strategy development process took place between April and September 2012 and involved multiple consultations with stakeholders: brainstorm sessions with a reference group composed of Dutch partnership members, interviews with government staff, consultations with Agri-Hub members, interviews with private sector actors, an online survey among network professionals and - last but not least - continual checks and balances with the Board.

The strategic process was facilitated and guided by the support office team in Arnhem. To be frank, we underestimated the process in terms of participation intensity and the overwhelming flow of information and contributions. Yet, we can all be proud of the end result, because in front of you is a strategic plan that reflects the shared vision of the Agri-ProFocus constituency, defining clear roles and functions of all involved.

This document will lead you through the global as well as the Dutch context in which we operate and where we want to make a difference. It will show you our track record to date, the Theory of Change and envisaged programme of Agri-ProFocus. Strategic choices that have been made during the process have been incorporated in the different chapters. Perhaps, it is unnecessary to say that this document sets the stage for the next four years of Agri-ProFocus. With guidance from the Board, the support team is eager to facilitate the implementation of the set agenda for and with the network as a whole: Dutch partnership members, Agri-Hub members, connected networks and professionals.

Finally, we would like to thank all those who have contributed to this document - the members of the Reference Group, the Board, the Arnhem team and the Agri-Hub coordinators.

Kees Wantenaar – Chair of Agri-ProFocus

Hedwig Bruggeman – Director of Agri-ProFocus



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EXECUTIVE SUMMARY

Agri-ProFocus believes that primary producers worldwide are the key to local economic growth and sustainable agri-food systems, and food security for all. The Agri-ProFocus network supports farmers who have the ambition and entrepreneurial capacities to make their resources and social capital more productive and sustainable. The mission of Agri-ProFocus is to create spaces and opportunities for multi-stakeholder action as well as for learning to enhance entrepreneurship among organised farmers. Three interacting groups form the network: partnership members, Agri-Hub member organisations and individually connected professionals.

This new strategy of Agri-ProFocus for 2013-2016 is well aligned with global as well as Dutch developments in the sector. The World Bank states that the large-scale farming model is not particularly promising in Africa. There is a need for a new perspective: regard the smallholder farmer as a part of the solution in modernising and scaling up agriculture. These findings back up the goals Agri-ProFocus strives for. Furthermore, the Dutch Ministry of Foreign Affairs acknowledges the need for a joint approach of all sectors in society in working on development of the agri-business sector in Sub-Saharan Africa. The role of the Agri-ProFocus partnership is a perfect match here.

To effectively develop the strategy of Agri-ProFocus, stakeholders' groups have evaluated the performance of the network over the past few years. Overall, Agri-ProFocus has scored good report marks, on the topics of overall appreciation, satisfaction with coordination support and member dynamics, and network benefits.

The five unique selling points that Agri-ProFocus wants to further build upon are: (i) A strong Dutch membership base, dedicated to look for synergies and sharing resources between the private sector, government, civil society and knowledge institutes; (ii) A shared focus on food and business with Dutch government; (iii) Flourishing Agri-Hub networks opening up market intelligence; (iv) Growing connections within the Dutch and local private sector community opening up business opportunities; and (v) Independent brokering by Dutch and country based support teams.

Agri-ProFocus has chosen three focal areas for the upcoming period: supporting organised farmers, fostering the farmer entrepreneurship support system and developing domestic markets. Two themes cut across the abovementioned focal areas; inclusiveness of services delivered and balancing economic growth and sustainability.

In the plans for the near future, the network has formulated targets in four main areas. First of all, the partnership in the Netherlands provides a huge reservoir of knowledge and investment capacities for the Agri-Hubs. Therefore, consolidating and developing the Dutch partnership/ network is a crucial target for the coming years. Also, the Agri-Hub programme will promote a growth model with respect to the development of the network (in existing and new Agri-Hubs). A second target is business and partnership brokering. More and better support to entrepreneurial farmers is at the heart of the Agri-Hubs. The network aims to facilitate more effective business linkages between organised farmers on one side and firms, banks and traders along the chain on the other side. A third target the network will strive to achieve in the coming years is the blossoming of innovation communities. Around the identified focal areas the network fosters the development of 'innovation communities', i.e. strong communities of practice. These communities will expand across Agri-Hub countries and the Netherlands as far as possible. Agri-ProFocus will facilitate and build the capacity of members to take lead positions in these communities. The fourth target area contains targets in the field of influencing policy, both in the Netherlands, Europe and in Agri-Hub countries.

The Board of Agri-ProFocus in the Netherlands, which represents the Participants' Council, determines the overall Agri-ProFocus mandate. Agri-ProFocus will retain its character of a fluid network, rather than become an institutionalised organisation. The support office in Arnhem will support local member-led Agri-Hubs and foster mutual steering in the network. The present practice of the annual Core Group Meetings in the Netherlands and the annual planning and evaluation meetings of the Agri-Hubs will be further consolidated into standard practice.

The total budget of Agri-ProFocus for the next strategic period amounts to €18,333,600. This is expected to be covered by increased member contributions and investments in the Agri-Hubs, and a subsidy from DGIS/DDE.

1. AGRICULTURAL AND DEVELOPMENT DYNAMICS

1.1 Global context

Those who eat...

Agricultural markets in developing countries are undergoing dramatic changes. First driver is the impressive population growth. The world population is expected to increase from 6.5 billion today to 9.1 billion in 2050 and almost all growth will take place in the less developed regions. As a result, global food demand will increase dramatically by 75%.

Second driver is the changing pattern of demand. Population growth in Africa equals urban growth, which means that by 2050 1.2 billion Africans will be living in cities. That is about 60% of all Africans compared to 28% in 1980.

This rapidly increasing urban population will be demanding higher quality and a diversified supply of food, particularly in the processed food segments. Diets will shift towards higher consumption of calories, fats and protein¹.

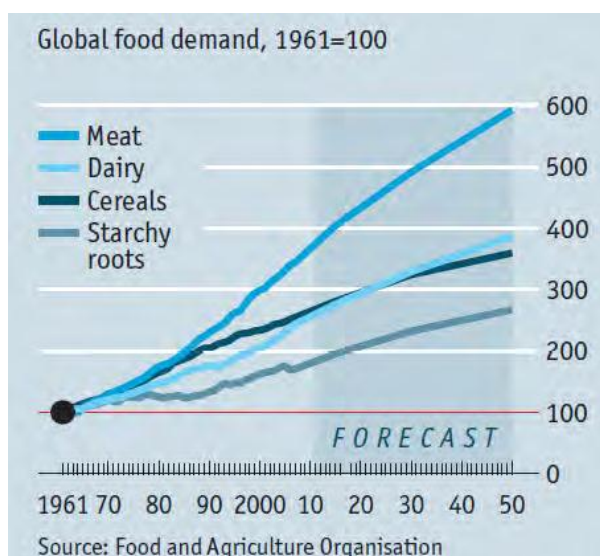
A corresponding factor is the massive flood of Foreign Direct Investment (FDI) in the agricultural sector, particularly in processing, retail and food services. This so-called "supermarket wave"² has an enormous impact on domestic food systems. It poses quality demands on and opens up new market opportunities for smallholders³.

Those who feed...

More than 85% of agricultural holdings in developing countries are under 2 ha. In Asia and sub-Saharan Africa about 80% of farmland belongs to, or is cultivated by, smallholders⁴. Smallholders produce up to 80% of food consumed locally in sub-Saharan Africa and Asia⁵. This makes them the primary investors in agriculture by far and as such, they are critical to improving food and nutrition security and in reducing rural poverty.

In view of the rising demand, food production needs to be scaled-up. According to the FAO, Africa will have to increase food production by 200% by the year 2050 in order to satisfy its population's demand. For developing countries in Asia and Latin America/Caribbean this boils down to respectively 69 and 80%⁶.

The growing agro-food industry depends on the vast production potential of smallholders to secure quantity and quality of supply. Sustainability issues are becoming increasingly intrinsic to business operations as shareholders of companies respond to consumer demands⁷. Enhancing the quality of smallholders' investment will achieve environmental



¹ FAO 2009.

² Increased market share from 10-20% to over 50% in 10 years

³ Reardon, Berdegue, Timmer, 2007.

⁴ FAO, Agricultural World Census.

⁵ WFP – P4P, 2009.

⁶ FAO 2012.

⁷ <http://seasofchange.net/> and IBLF, 2010.

goals such as reducing water scarcity, restoring soils and preserving biodiversity⁸.

The agro-food system is typically dominated by many micro-enterprises and a handful of large firms. Far fewer are the small and medium enterprises (SMEs) in between. This lack of SMEs results in a shortage of agro-processing facilities, denying African countries in particular the means to add value to their primary produce. A stronger SME sector would provide the opportunity to create jobs and to generate income in vulnerable rural areas as well as improve food security.

The theories about them...

For the past decade, value chain development has been the dominant concept in dealing with agricultural markets and promoting smallholders' access to markets. This approach assumes that value chains contribute to strong local economies by bringing together stakeholders from public, civic and private sectors and by building on local available resources. Various inclusive or pro-poor approaches do exist and are to a large extent complementary. This includes empowerment of farmer communities in the chain⁹ and approaches, which involve the bottom of the pyramid¹⁰.

The connecting paradigm here is that of the market as 'The Holy Grail': the private sector as the ideal vehicle to address the challenges around food security, hunger and poverty. But the current financial crisis is shaking up this point of view. There are demands for more control of the financial sector and there is a renewed interest in the cooperative identity of companies. The larger, internationally operating agro-food companies are increasingly putting their CSR policies into practice.

These developments could certainly deliver some very positive outcomes for Asian producers. However, with sub-Saharan Africa housing most of the world's poor in 2050, markets there will remain less attractive to foreign investors. On the other hand, African producers will not be an obvious source of supply for global companies.

In conclusion

Many fast-track efforts to modernise and scale-up agriculture in sub-Saharan Africa have failed. The World Bank states it quite bluntly: "based on a comprehensive review of the literature, as well as value chain analysis... there is little to suggest that the large-scale farming model is either necessary or particularly promising in Africa."¹¹

What needs to be done is to start reasoning from the perspective, potential, assets and capacities of the smallholder farmer. Regard them as part of the solution rather than the problem!

The figure below depicts the main factors influencing farmers' strategies to access markets. Soft skills and factors (green boxes) are as important as physical assets (yellow box) and the enabling environment (blue box)¹².

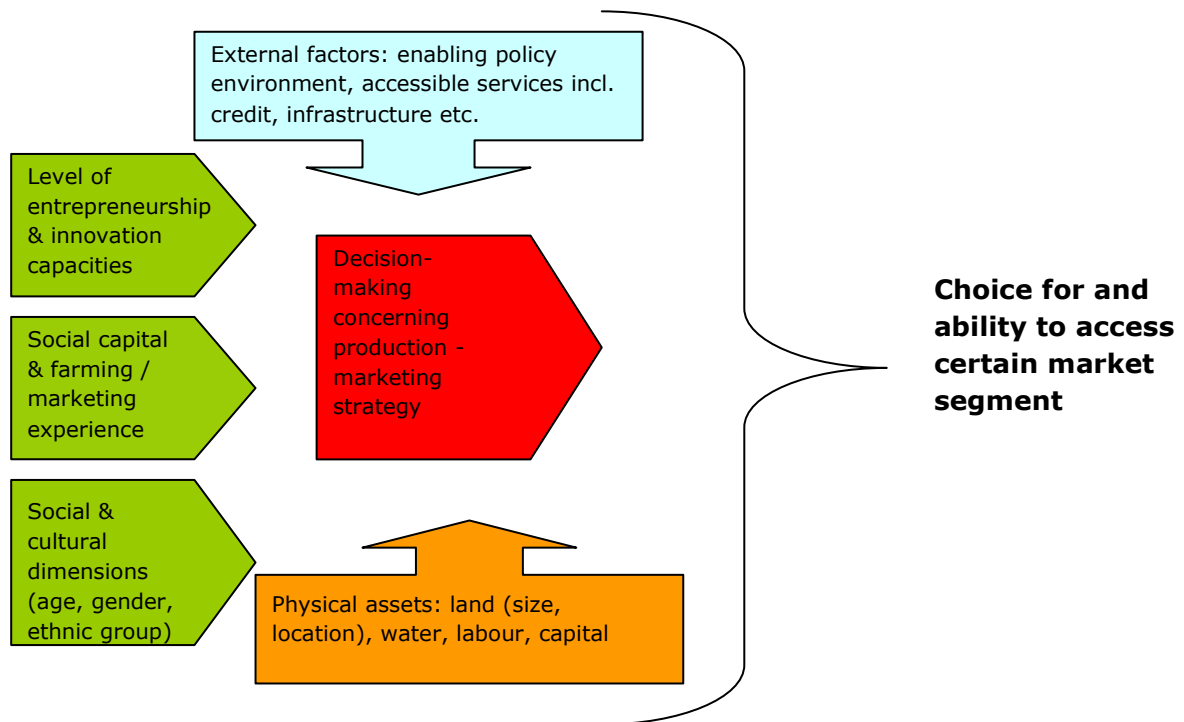
⁸ WFP – P4P, 2009

⁹ KIT/Faidha Mali/IIRR, 2006

¹⁰ Vellema and Danse, 2007

¹¹ World Bank, 2008

¹² Delnoye (KIT) and Van Vugt (WUR-CDI), 2012



In this line of thought, it is crucial to target those smallholder farmers who have the ambition to embrace agriculture as a business with a future. These are the farmers who are willing and able to be part of inclusive market development strategies. It is estimated that this group would include 30% of the global farming community¹³. This group will be able to step-up their performance and tap into in the evolving market opportunities, raising themselves out of poverty through agriculture.

1.2 Dutch context

Policy framework

In 2010, the Scientific Council for Government Policy (WRR) set the new tone with its report "Less Pretension, more Ambition", substantially changing the way the Dutch development sector is (to be) organised. In the Policy Note of March 2011, the Dutch Ministry of Foreign Affairs took the Council's three main recommendations as a guideline, spearheading the following choices:

- a. Specialise in areas in which the Netherlands excels. Spearheads include (i) Water, (ii) Food security; (iii) Security and the legal order; (iv) Sexual and Reproductive Health and Rights;
- b. Deliver development aid in a smaller number of countries. Choice is to focus on 15 countries of which the majority will be located in Africa;
- c. Develop instruments, which aim to encourage the business community to fulfil a development-oriented role.

¹³ WB, 2008.

For the Food Security spearhead the Ministries of Foreign Affairs (MinBuZa) and of Economic Affairs, Agriculture and Innovation (MinEL&I) jointly adopted 4 pillars:

- a. Sustainable increase of food production
- b. Accessibility of nutritious food
- c. Access to markets
- d. Better business climate

Based on the orientation above, the embassies of the 15 partner countries developed their Multi-Annual Strategic plans (MASPs). Of the 15 partner countries, 14 have identified Food Security as the key intervention area (Ethiopia, Rwanda, Burundi, Uganda, Mozambique, Mali, Benin, Kenya, Southern Soudan, Bangladesh, Kenya, Ghana, Indonesia and Yemen) The first 8 countries mentioned already have a functional, Agri-ProFocus' initiated Agri-Hub.

Concurring with the agricultural and private sector focus of MinBuZa, MinEL&I has defined 9 so-called Top Sectors in which the Netherlands has a leading position. These include "Agro-Food" and "Horticulture & Starting Materials": two essential platforms for innovation and development. These two platforms include an international chapter, which defines one of its goals as 'the exportation of Dutch knowledge and expertise to developing countries'.

Moreover, the new Public-Private-Partnership (PPP) facility for Sustainable Entrepreneurship and Food Security (FDOV) and the PPP facility for Water are two new financial instruments¹⁴ that can boost Dutch involvement and contributions to food security in developing countries.

Supporting farmers' interests and involvement

Over the last few years we have seen a revival of the notion that agriculture is the key towards sustainable economic growth and decent livelihoods for all in developing countries. Civil society organisations (CSOs) have developed key interventions under MDG1: eradicate extreme poverty and hunger. This includes CSOs successfully challenging industries and governments to invest in fair trade and sustainability. In the Netherlands this resulted in initiatives like Max Havelaar, UTZ Certified, Solidaridad, IDH and MVO Nederland. Dutch CSOs like ICCO, Hivos, Oxfam Novib and Cordaid, implement technical and advocacy support programmes for agricultural smallholders through local NGOs and producer organisations. In addition, national and regional producer umbrella organisations and agricultural cooperatives were supported through the Dutch Farmers Fighting Poverty Programme, as implemented by Agriterra and its Dutch farmers' constituency.

Business tracks for food security

In line with and/or in response to these developments, corporations and companies based in the Netherlands are more inclined to shoulder the responsibility for the negative impact their activities have on both people and planet. Ranging from window dressing to genuine commitment, Dutch businesses take up CSR as part of their business plans and projections. The OECD CSR guidelines have inspired the private sector representative organisations to develop their own international guidelines for responsible investment.

For many SME enterprises in the Netherlands, taking the step to invest in for instance Africa is still too big. Different private sector platforms are gearing up their activities to support food security initiatives by the private sector. These include the Netherlands Africa Business Council (NABC), MVO Nederland and the BoP Inc., which are developing competencies on the capacity, expertise and interest of Dutch companies and investors.

¹⁴ This follows the DAC list, not the Dutch focus countries.

Market intelligence on business opportunities in focus countries around food security is, however, not readily available. At their level, the Dutch embassies provide a response and Dutch NGOs and their partners are doing their bit, but are also still learning the rules of this new game. The overall lack of capacity may lead to existing private sector instruments (such as MMF, PSI, PUM, PPPs etc.) being underutilised, which means that potentially good propositions which connect local farmers with local and international business, will be missed out on.

Hunger for knowledge

Over the past few years the Netherlands has been a pioneer in the development of value chains involving companies like Heineken, NGOs like SNV and ICCO, and knowledge institutions like KIT and WUR. Well-documented examples of professionals facilitating the transfer and exchange of know-how and skills are available, but unfortunately, not always easily accessible. Hivos developed its Smallholder Agency Knowledge programme and Oxfam Novib started informing the global public through its Growth Campaign.

To facilitate this Dutch ambition to maximise the exposure and use of Dutch knowledge and expertise, the development of a Food and Business Knowledge Forum that supports this agenda is underway. This Forum under guidance of MinBuZa/DDE, is offering opportunities for better coordination and synergy between knowledge institutes, policy makers and practitioners across the boundaries of countries and organisations.

In conclusion

The Dutch government works on development together with other parties such as civil society organisations and the business community. On the website of MinBuZa, it is phrased as follows: *"This is not a luxury but a necessity. The results in development can only be achieved if all sectors of society – government, civil society, and the business and academic communities – pull together"*. This is exactly where the Agri-ProFocus partnership comes in and plays its role.

2. AGRI-PROFOCUS TRACK RECORD

2.1 Overall performance

Appreciation data

As part of its strategy development process for 2013-2016, Agri-ProFocus evaluated the performance of the network through a survey. We surveyed (i) overall appreciation, (ii) satisfaction with coordination support and member dynamics, and (iii) network benefits. Close to 400 professionals (25% – 75% balance Netherlands – Agri-Hubs) from different stakeholder groups responded.

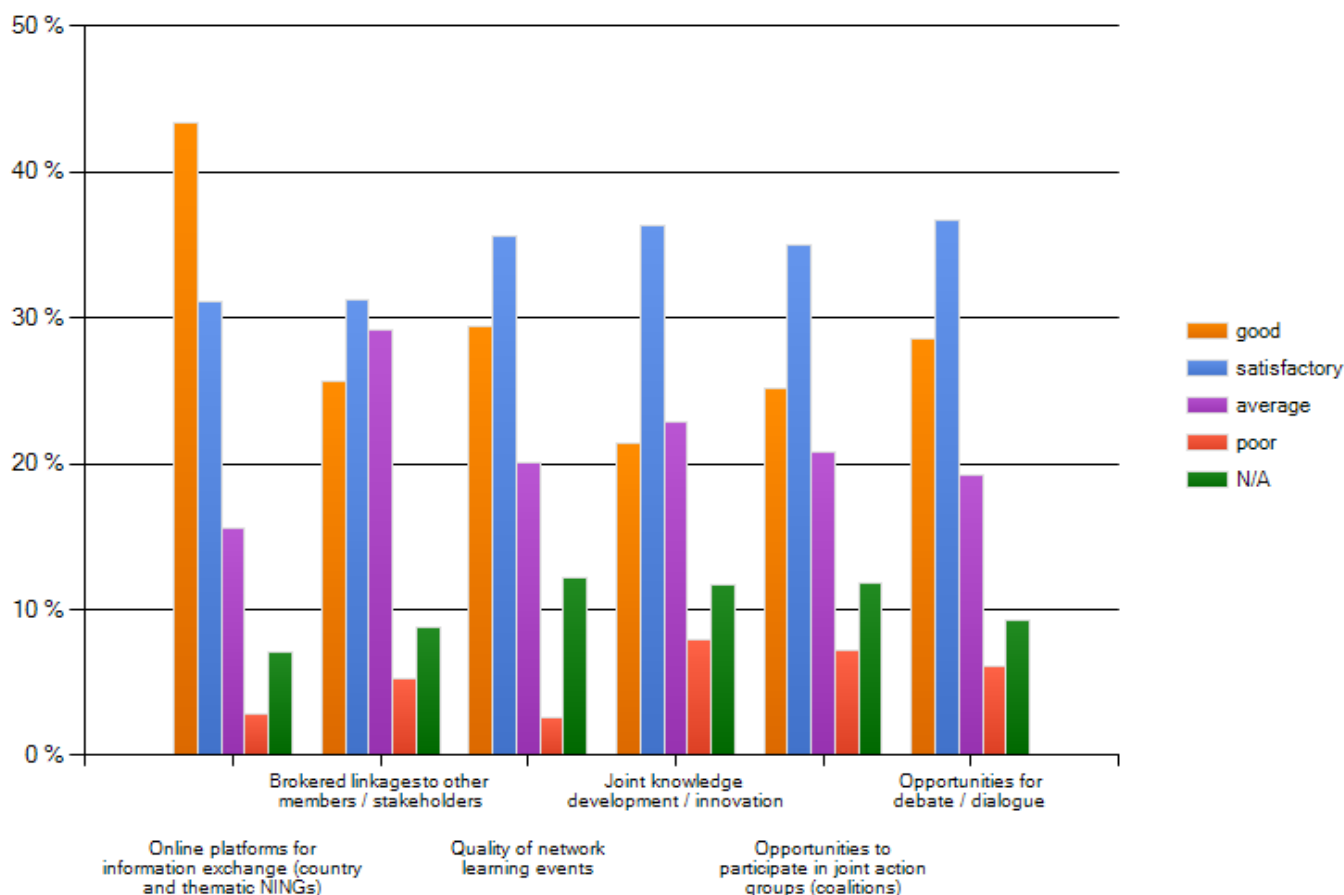
The Agri-ProFocus network scores high on relevance, synergy and sustainability: 3.25 on a scale from 1 – 4. The culture of sharing and the openness toward collaboration are also highly appreciated among members (3 on average). Satisfaction with coordination - both at Agri-Hub and at Arnhem support office level - scores a 3. It is appreciated for being pro-active, kind, and client-oriented. The graph below sketches appreciation for the network benefits:

- The score on usefulness and outreach of the online platforms is excellent with an average rating of 3.25. Respondents appreciate the easy access to information, knowledge and new actors (producer organisations, BDS and fellow professionals for Q & A). In correlation to this, effective linkages to other stakeholders as a product of the network are rated just below 3.
- Quality of learning events and debates are rated high with a score of 3.1 on average. This is for events both in the Netherlands and in the Agri-Hubs.
- Joint innovation and the opportunity to participate in joint action, score satisfactory, but lower with 2.7 and 2.85 respectively. Obviously, collaborating in a partnership is more complex.

In conclusion

The respondents have given the Agri-ProFocus network good report marks. Recommendations are indicated in the specific track records, presented below.

How do you rate the following benefits provided through the Agri-ProFocus network?



2.2 Dutch partnership growing in size and dynamics

Platform for debate and policy influencing

In 2012, the food security theme is at the heart of the Dutch development cooperation policy. It cannot be denied that since its launch in 2005, the Agri-ProFocus partnership has been playing an active role in placing "Agriculture for Development" and "Farmer Entrepreneurship" at the top of the Dutch development agenda. Being a platform for debate has always been a key performance area for the Agri-ProFocus network.

Organising the launch of the World Bank Report 2008, "Agriculture for Development" in the Netherlands was a key turning point for Agri-ProFocus. This report induced MinBuZa en MinEL&I to jointly write-up the first policy paper on Food Security in 2008. In 2011 this was translated into the adoption of Food Security as one of the 4 thematic focus areas of Dutch Development Policy and it has now become the most prominent intervention area. The food crises of mid-2008, 2010 and the current emerging food crisis leave no doubt that this shift in focus of Dutch development cooperation was more than opportune.

Today, the Agri-ProFocus network is significantly contributing to the implementation of this policy in various ways. The following overview of achievements gives a clear indication of the recognition the Agri-ProFocus network receives as a platform for policy influencing and debate.

Representation of Agri-ProFocus in key Dutch platforms

- Food Security Platform
- Private Sector Development Platform
- Food and Business Knowledge Forum reference group

Network facilitation

- Enhance Dutch network and producer organisation participation in 'Down to earth' conference in Addis and The Hague (2010), on demand of the Dutch government
- Coordinated member input to the 'Down to Earth Road Map'
- Facilitation of Agri-ProFocus for members' contribution to the Report on Results 2009-2010, with specific reference to MDG1
- Facilitation of member policy group

On demand policy contributions

- Socio- Economic Council Report "Doing Business Sustainably for Development" advising MinBuZa to improve the business climate, market functioning and market access
- Top-sector policy (EL&I) plea of Agri-ProFocus to civil society organisations in innovation partnership to assure scaling-up
- Food Security chapter of the MASPs of the embassies (DGIS/DDE).
- Liaison role Agri-ProFocus support office in the development of the modalities for the Food Security Support Facility (PPP Food Security)

Network coordination, learning and business linkages

Besides being an effective mechanism for dialogue, the Dutch partnership has grown in strength:

- There is continued high interest in Agri-ProFocus membership. The network has grown from 19 members in 2005 to 26 in 2008 and currently 35 in 2012. Some membership requests have been put on hold, because of criteria that are not being met. Over time, 4 members have left, citing different reasons. Growth has come from the side of knowledge institutes, NGOs, government agencies as well as businesses.
- While actual membership of companies is still limited, other opportunities for coordination around Food & Business brokering have come up. This includes opportunities for concerted action with MVO Nederland, NABC, and BoP Inc.
- Members budget for Agri-ProFocus, i.e. membership fees, Agri-Hub coordination/activities and sharing of resources for the knowledge agenda (see below), even in the face of financial constraints.

Network services for learning and business brokering are continually being requested:

- Members initiate learning events in the Netherlands to be co-organised by Agri-ProFocus. By repeatedly opening up these events to a wider audience, a cross-section of agri-professionals can be drawn in, e.g. at events on livestock, local sourcing, Who will Feed the World?, Floriade – on cooperatives, etc.
- Agri-ProFocus is well known in the sector among professionals from NGOs, knowledge institutes and government as well as from private sector networks. The support office is regularly consulted for information and contacts. Annually, between 50 to 80 different Q&As are processed.

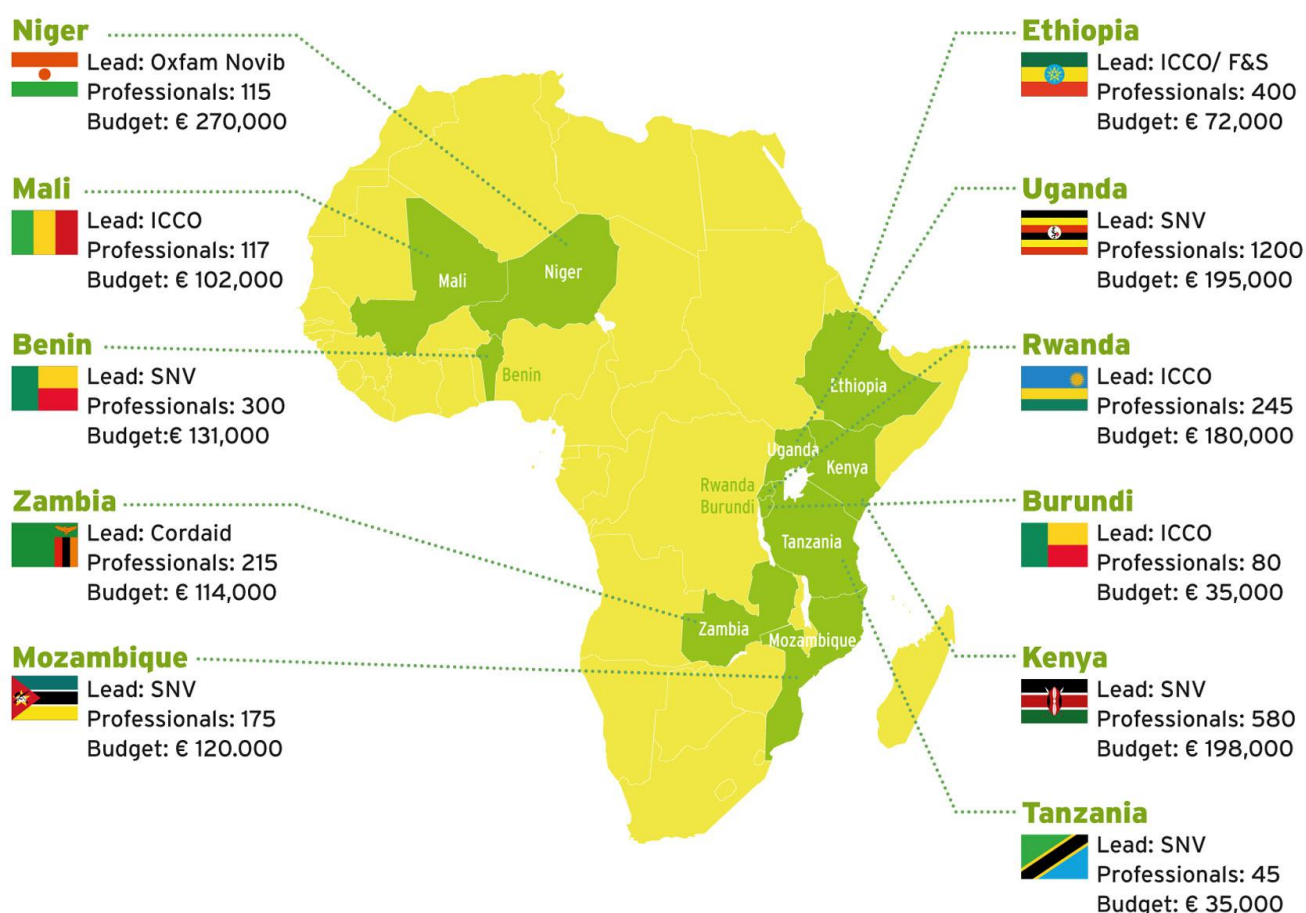
In conclusion

Agri-ProFocus' strength is its excellent position from which it can link policy level, private sector initiatives, NGO and knowledge networks in the Netherlands. The network approach is working well when it comes to signalling new developments and opportunities. The Dutch demand also shows that Agri-ProFocus – next to the Agri-Hubs - needs to keep developing its interventions in the Netherlands.

2.3 Promoting farmer entrepreneurship through Agri-Hubs

At the start of our Strategic Plan 2009 - 2012, the Agri-ProFocus network members articulated their commitment to join forces, with the goal to create synergies and more impact for farmer entrepreneurs. In choosing a country focus, the Agri-ProFocus network recognised the need to jump-start the process of demand articulation.

The network's target was to develop up to 5 country programmes, leaning on the drive of Agri-ProFocus members and their partners/networks. Four years along the line, the Agri-ProFocus network can show impressive results through its Agri-Hub programme. Agri-Hubs are now in place in 11 countries where they function as multi-actor platforms in support of farmer entrepreneurship. For each country an Agri-ProFocus lead member hosts the coordination function. The following figure provides a quick glance at the scale of Agri-Hub operations.



Each Agri-Hub chooses its own development path, depending on arising issues and opportunities for promoting farmer entrepreneurship. The 2011 Agri-ProFocus Annual Report gives a good impression of the diversity of Agri-Hub activities. It shows a diversity of events, joint actions and learning groups, as well as promising results in terms of innovations, policy changes and deals. These are five of the critical achievements/issues, which came from both the survey and the consultation process:

- a. The Agri-Hubs currently function in helping both local and Dutch stakeholders to find answers, services, contacts and resources. Each Agri-Hub now has an online platform that enables linkages, information exchange and business and knowledge brokering. Today, farmer organisations and other actors create their profiles on the Agri-Hub online platforms and Q&A follows. This paves the way for a further build-up of market intelligence.
- b. As such, the Agri-Hubs work well to increase a better articulation of farmer-oriented demand for investments and services. Local members firmly indicate that the focus of the Agri-Hubs should be on entrepreneurial farmers as the ultimate beneficiaries. However, linkages between all value chain actors, supporters/enablers must also be increased. Local private sector actors should be motivated further in becoming members of/engage with the Agri-Hubs.
- c. Dutch and also increasingly local members contribute both financially and with human resources to the running of the Agri-Hubs. Cost-sharing is becoming a matter of principle. In 2011, DGIS decided to match member contributions. Additionally, various Agri-Hubs have become a strong partner of the embassies to support their food security profile with concrete network, knowledge and business services. This has opened up opportunities to scale-up in brokering knowledge and business initiatives. Examples to be 'copied' are: establishment of basket funds for business proposals for local initiatives (Ethiopia); service of Agri-Hub to EKN to broker South - North deals (Uganda). It also opens up possibilities to link to other private sector players/instruments, both locally and in the Netherlands.
- d. The Agri-Hubs are embedded locally in various ways and to different extents. Links exist with government circles, local partners lead on specific themes and experiments have started with local steering committees. The consultations held in view of the new strategy indicate that local Agri-Hub members value the continuance of a strong link with the wider Agri-ProFocus partnership. Nonetheless, there is a genuine feeling that the Agri-Hubs should not be perceived solely as a Dutch Agri-Hub, but as a wider market place.
- e. The Agri-ProFocus knowledge agenda was inspired by demands and experiences in the Agri-Hubs. This has boosted development in thematic areas such as Access to Finance (finance fair concept), Farmers in Business and Gender in Value Chains (both through coaching tracks). Market place events, online exchange and systematisation of experiences are now established as recognisable Agri-Hub products and can be scaled-up further by decentralising within the country. It is also clear that there are more opportunities for cross-country sharing and learning. To enable this, coordinated and sustained follow-up is needed, while the innovation agenda is to be led by local coalitions.

In conclusion

The Agri-Hubs are set to become local change networks for farmer entrepreneurship. The link to the wider Agri-ProFocus network remains essential, while local embedding will run its own independent course. In effect, the Agri-Hubs have begun to function as 'One Stop Shops' for knowledge and business. The next step is to invest in further developing this budding marketplace and scaling-up effective linkages between farmer-oriented demand and adequate expertise and investment.

2.4 Cross-country learning and emerging agendas

In 2009, one of the aims of Agri-ProFocus was to focus learning and innovation on 'issues of producer organisation support' and on the 'quality of cooperation between stakeholders'. This ambition was organised around a number of loosely defined themes. Over the years this has been further specified into the Agri-ProFocus knowledge agenda. Dynamics in the Agri-Hubs and in the Netherlands have led to the identification of joint actions around the five themes depicted below:



A bird's eye view renders the following achievements:

- Based on member initiatives, a number of activities were organised around the themes. Particularly 'Access to Finance' and 'Gender in Value Chains' drew in active communities of professionals in the Netherlands that exchanged experiences. In response to the deepening the knowledge themes, Agri-ProFocus developed separate online platforms for information exchange, online discussion and sharing of tools and resources. This has also drawn in international interest in terms of sharing knowledge and even in participation (e.g. gender writeshop). As such, learning and even innovation communities have emerged within the Agri-ProFocus network.
- The growth of the Agri-Hubs also paved the way for a strong increase of learning activities, both in number and in variety. This includes events, desk research, documenting practice, tool development, online information exchange, etc. Expert meetings in the Netherlands decreased to 3-4 times annually, in favour of increased face-to-face knowledge sharing in the Agri-Hub countries. But the learning events in the Netherlands - co-organised by Agri-ProFocus - still keep drawing in a cross-section of agri-professionals. Survey results show that both the quality and the opportunity for networking are appreciated.
- While in 2009 there was still a misalignment between knowledge demand (from the 'field') and response from knowledge institutes, today the interaction on knowledge themes has become a two-way process. The Agri-ProFocus knowledge agenda links 'practitioners' who are active in the Agri-Hubs with academics and researchers from the Netherlands. The box below gives an indication of how this is set up. On the positive side, it can be mentioned that Dutch knowledge institutes are committed and are providing coordinated services. Involvement of local knowledge institutes is, however, still low.

Knowledge agenda principles

- Objective: organisations participating in Agri-ProFocus and in Agri-Hubs are to improve their performance.
- Aim: practitioners and decision makers apply knowledge derived from practice. Documentation and publications are means to assure this.
- Modes of intervention: documentation and analysis; action learning and experimentation, open-source network-based communication.
- Funding: activities are paid from Agri-Hub country budgets (based on their priorities) and involve Agri-Hub professionals and (preferably) local knowledge institutes.
- Lead: for each theme, a knowledge institute works with the Agri-Hubs on the theme action plan. Leads include WUR-CDI, KIT, VHL, ETC and F&S/ ICCO.

- Through the knowledge agenda, activities and knowledge products have become much more focused and innovative. Gender and Finance are vibrant themes, showing an interesting learning mechanism emerging:
 - Learning phase of professionals in Netherlands and some Agri-Hubs
 - Systematisation of practice in a KIT write-shop publication
 - Cross-country piloting of practical offers for the Agri-Hubs: coaching track on gender, organising finance fairs
 - Cost-recovery elements in their approach

To further develop the knowledge agenda, adequate framing was also needed. The theme 'Access to Markets' (as formulated in the 2009 Strategy) proved to be a bit of a container. Refocusing towards 'Organised Farmers for Business' and 'Business Development Services' has provided the opportunity to be more concrete in the type of knowledge products. Expectations for the next phase are that both will follow a similar learning mechanism as described above.

In conclusion

The Agri-ProFocus cross-country knowledge agenda will move towards the sharing of reflections across Agri-Hubs. It is important to foster the development of innovation communities so that demand-led practical knowledge is developed and used. The current themes will remain centre stage, but we expect to explore emerging topics such as young farmers, land, vocational training, and water.

3. A ROAD MAP FOR CHANGE

3.1 Assets: our unique selling points

The Agri-ProFocus Strategy for 2013-2016 is geared towards further development and improvement of the current successful practice of Agri-ProFocus. Our five main assets are:

- A strong Dutch membership base dedicated to look for synergies and sharing resources between private sector, civil society and knowledge institutes;
- A shared focus on food and business with the Dutch government (MINBUZA, EL&I and Dutch embassies);
- Flourishing Agri-Hub networks opening up producer organisation-oriented market intelligence;
- Growing connections within the Dutch and local private sector community, opening up business opportunities;
- Independent brokering by Dutch and country-based support teams.

3.2 Vision, mission, thematic orientation and results

Our vision

Agri-ProFocus believes that primary producers worldwide are the key to local economic growth and sustainable agri-food systems and food security for all. We envisage empowered men and women - entrepreneurial farmers, their families and organisations - accessing agri-businesses, markets and investment opportunities.

The shift towards the new strategic period is basically an extrapolation of Agri-ProFocus' current successful practice. A practice in which private, public and civil society sectors and knowledge institutes are brought together around a single purpose: placing the support of farmers and their organisations centre stage!

The on-going discussion within Agri-ProFocus is about the definition of farmer entrepreneurship and the type of farmers the network supports. For instance, what is really meant by 'entrepreneurial farmers'? Is it about smallholders and if so, how do you define smallholders? Is there entrepreneurship beyond the value chain approach?

In short, the common denominator of Agri-ProFocus is that the network supports farmers who have the ambition and entrepreneurial capacities to make their resources and social capital more productive and sustainable. Sustainable is used here in terms of both farmers' livelihoods and care for the environment. This offer can be appealing to a wide range of farmers, from subsistence farmers to small-scale commercial farmers. Agri-ProFocus believes that farmer groups, cooperatives and/or producer organisations are a unique entry point for engaging and cooperating with entrepreneurial farmers in (local) food production.

Our constituency

With the development of the Agri-Hubs, the constituency of the network has grown. Besides the partnership's members and their staff (called the 'professionals'), the constituency now also includes participating organisations and professionals at Agri-Hub level. Although the ultimate target group of the network are the entrepreneurial farmers, the constituency of Agri-ProFocus consists of three interacting groups as described in the box below:

A. The partnership member organisations

This category is exclusive to Dutch-funded or Dutch-based organisations and companies. Currently, the partnership consists of 35 organisations ranging from NGOs, the private sector, research institutes to government. Member organisations subscribe to the same vision/ strategic intent Agri-ProFocus has. They are comfortable with Agri-ProFocus' Theory of Change, meaning one of their target/ client groups are (entrepreneurial) farmers or producer organisations.

In terms of commitment, member organisations are actively involved in and contribute to more than one Agri-Hub or to one of the thematic working areas of Agri-ProFocus. This way they assure the involvement and participation of their professional staff. Member organisations also actively participate in and contribute to the Agri-ProFocus activities and share information and knowledge on all network levels. This is all in addition to the payment of the annual membership fee.

B. The Agri-Hub member organisations

At Agri-Hub level, membership is very diverse, representing different stakeholders: producer organisations, local and international agri-businesses, civil society organisations, research institutions, government bodies and agri-business development services. The Agri-Hubs offer them a space where they can exchange and develop knowledge, establish business deals or join hands in influencing national and international policies.

Leading members at Agri-Hub level share financial and/ or human resources for network activities. So far, criteria for admission have been based on a give-and-take principle. The fine-tuning of the modalities of ownership and membership features at Agri-Hub level is already on the agenda of the individual Agri-Hubs. It is expected that there will be differences between countries, depending on local dynamics and opportunities.

C. The agri-professionals

This is the client constituency that in practice assures the demand and supply dynamics of Agri-ProFocus. It includes staff from one of the Dutch member organisations, as well as staff from producer organisations, local and international agri-businesses, civil society organisations, research institutions, government bodies and agri-business development services. They are connected through one or more of the online platforms, maybe active in thematic groups and participate through face-to-face meetings organised by one of the Agri-Hubs or the support office in the Netherlands.

Dutch partnership and Agri-Hub members cooperate and interact on a give-and-take basis. This means that they are suppliers and customers of the marketplace they pay for. The support office and the Agri-Hub coordinators take up their role as neutral brokers and facilitators. In addition, specific products and services are developed and made available to the constituency. The support office and the Agri-Hub structure are the constituency's shared asset.

Our mission and Theory of Change

The mission of Agri-ProFocus is to create spaces and opportunities for multi-stakeholder action as well as learning about the enhancement of entrepreneurship among organised farmers. Agri-ProFocus translates this into three interrelated levels of result:

- a. **Output - the network's sphere of control.** This is the space where the network constituency shares and co-creates and **triggers the market** of actors to change, innovate etc. The Arnhem support office and Agri-Hub coordination facilitate this to make it an efficient and effective process. We expect to deliver outputs in the following areas:
 - Network development and coordination
 - Business and partnership brokering
 - Innovation communities
 - Platform for debate and learning

- b. **Outcome - the network's sphere of influence.** This is where the **market of actors uses and takes up** the network outputs and integrates these in their operations. What we hope to see is the emergence of a more effective support system for farmer entrepreneurship, indicated by:
- Farmers and firms (incl. banks) effectively closing more and better deals, based on appropriate business models
 - Development partners, producer organisations, knowledge institutes and companies entering into new partnerships, thus accessing (public) investments (resource mobilisation)
 - Different providers innovating their farmer entrepreneurship services
 - Producer-oriented policy changes in the realm of markets, agro-food industry etc.
- c. **Impact - the network's sphere of interest:** Here, entrepreneurial farmers seize the opportunities offered by a better functioning farmer entrepreneurship support system. The changes we aspire to contribute to are farmers increasing their **enterprise performance** indicated by:
- Higher income and employment
 - Increased profits
 - More balanced livelihoods

The outputs or **market triggers** are the direct products of the network. The outcomes or **market uptake** and the impact are the responsibility of Dutch and Agri-Hub members, and farmers (organisations) respectively. In this 'Theory of Change', there is a special place for the Agri-ProFocus support structure:

- Agri-ProFocus Netherlands: facilitation and result management at corporate and Dutch level is supported by the Support Office;
- Agri-Hub: facilitation and result management at Agri-Hub level is supported by the Agri-Hub coordination teams.

The Agri-ProFocus' 'Theory of Change' is depicted below. The flow and levels correspond with the Strategy for 2013 – 2016.

AGRI-PROFOCUS THEORY OF CHANGE

Multi-stakeholder collaboration between organized farmers, agri-business, NGOs, research and learning, financial service providers, public sector and development agencies is essential for **improving farmer entrepreneurship**



Our thematic focus

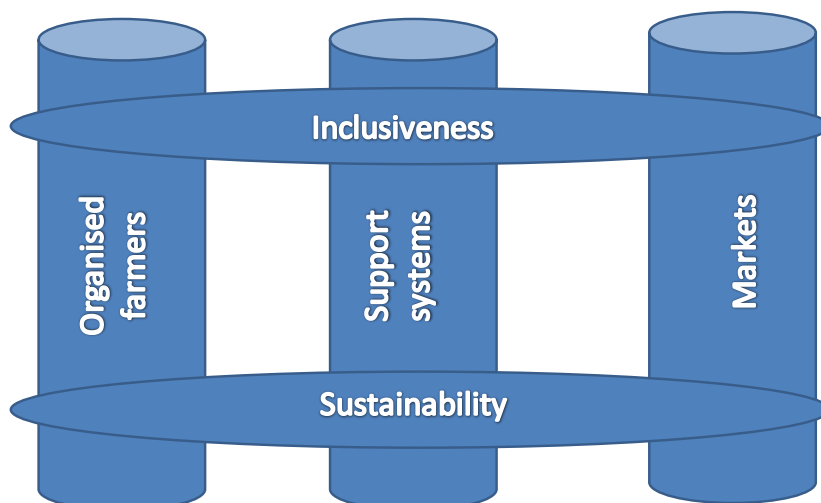
We revisited our thematic focus by making an analysis of the evolving context in agricultural business.¹⁵ Overall, existing Agri-ProFocus thematic choices are reconfirmed – but with a sharper focus. As a result, Agri-ProFocus has identified 3 focal areas or *pillars* and 2 *cross-cutting themes* for the coming period, which are visualised below.

Pillars

- a. Supporting **organised farmers** with a focus on innovative business models, social capital and market linkages;
- b. Fostering farmer entrepreneurship **support systems** with a focus on financing the SME segment, access to business development services, skills development and land tenure;
- c. Supporting sustainable food production in (domestic) **markets** and for the agro-food industry. Key is linking vertical value chain development to livelihood approaches.

Cross-cutting themes in all pillars

- a. **Inclusiveness** of service delivery (gender, ethnicity, youth)
- b. Integrating economic growth with **sustainability** (policy environment for a caring economy)



¹⁵ Contextual Analysis; the smallholder agricultural sector (Rik Delnoye (KIT) and Simone van Vugt (CDI), 2012

4. OUR PROGRAMME TARGETS FOR 2013 -2016

Agri-ProFocus' cooperation modalities and services are developed and offered in both the Agri-Hubs and in the Netherlands. Experience shows that the networks' current knowledge dissemination, business/partnership brokering and advocacy functions work best if one level feeds the other (and vice versa) in a coordinated way.

The targets the Agri-ProFocus network set for 2013–2016, can be distinguished into four broad output areas as defined in our Theory of Change:

- a. Network development and coordination
- b. Business and partnership brokering
- c. Innovation communities
- d. Platform for debate and learning

The basic principle is co-creating: the network constituency cooperates to produce these outputs together as is specified in the annual plans. Because our network is a dynamic one, these annual plans will leave ample space for new activities to emerge. We follow the energy, rather than the other way round! This process is facilitated by the Arnhem support office and Agri-Hub coordination in an effective way.

4.1 Network development and coordination

Dutch partnership

The Agri-ProFocus partnership in the Netherlands provides a huge reservoir of knowledge and investment capacities for the Agri-Hubs. Consolidating and developing the Dutch partnership/network is crucial to match demand with supply. This is not a static process and new opportunities constantly arise within the network. It is therefore crucial for Agri-ProFocus to keep exploring new intervention modalities to fulfil its mission. The following results are envisaged for the coming four-year period:

- Reconfirmation of financial and moral commitment from current partnership members to the Agri-ProFocus vision, mission and ToC;
- Close cooperation with DGIS/DDE and MinEL&I around their Food Security Policy Framework;
- Emphasis on engagement by Dutch agri-business companies (especially SMEs) as Agri-ProFocus members. Target: one additional company annually;
- Development of MoUs with private sector platforms/organisations incl. MVO Nederland, NABC and BoP Inc. to enable delivery of complementary services around food and business brokering to Agro&Food companies, especially SMEs;
- Engagement with business networks and business umbrella organisations to form a new client group of Agri-ProFocus in the Netherlands;
- Individual membership in the Netherlands in terms of free participation on the online platforms and in expert meetings (on invitation).

Agri-Hub programme

Although the Dutch member organisations and their local counterparts were the initiators, non-Dutch actors have joined in the meantime. Local network members range from producer organisations, banks and private agricultural companies to NGOs, knowledge and education institutes and the public sector, as well as non-international aid agencies in country. Agri-Hubs are also cooperating in various ways with embassies to coordinate activities in the field of food security and business.

Services in the network are not merely delivered through a central coordination point (e.g. an Agri-Hub or the Dutch support structure), but are foremost delivered in a decentralised way through and for member organisations and professionals. To achieve this, active participation and commitment from members and professionals in the network are needed. It is the task of the Agri-Hub coordination to offer timely and appropriate services, products and challenges to strengthen this dynamic of exchange and mutual support.

The Agri-Hub programme will promote a growth model with respect to the development of the network. Outputs are divided separately for existing and new Agri-Hubs and for communication support.

Existing Agri-Hubs

- 11 Agri-Hubs continue to operate, based on the current arrangement: lead member, multi-annual plan per hub, matching member contributions with DGIS funding;
- Annual increase of professional membership (local and international) in existing Agri-Hubs by one third and adoption of a code of conduct;
- Increase of private sector members – from companies (Dutch, international and local) and producer organisations, in each Agri-Hub;
- Consolidation of local governance structure with involvement of multiple stakeholders and exploration to locally embed Agri-Hubs;
- Coordination with Dutch embassies in country;
- In-country decentralisation delivery of services (through regional clusters of members);
- Agri-Hub coordination team – one coordinator, network assistant and agri-business facilitator;
- Average annual budget of € 200,000.

New Agri-Hubs

- Start-up of one additional Agri-Hub per year to include Dutch focus countries (Ghana, South-Sudan, DRC, Bangladesh, and Indonesia);
- Inception phase to include market and needs assessment, affiliation scoping, multi-stakeholder agenda setting;
- Roll-out of Agri-Hub model depending on local context.

Communication support

- Hosting and facilitating online networks for each Agri-Hub;
- Developing open knowledge database, toolkits and results factsheets.

4.2 Business and partnership brokering

More and better support to entrepreneurial farmers is at the heart of the Agri-Hubs. In the upcoming years, Agri-ProFocus will facilitate more effective business linkages between organised farmers on one side and firms, banks and traders along the chain on the other side. This can include the local private sector as well as Dutch traders and investors. Agri-ProFocus will develop specialised face-to-face and online services to facilitate deal making. The following outputs can be distinguished:

Dutch partnership

- Dutch support office will assist Dutch members to articulate their offer and demand systematically within the network;
- Development and offers of pre-competitive tools and instruments to facilitate effective cooperation between members. This may include among other things:

- Sector quick-scans
- Joint B2B events with private sector platforms
- Facilitation of partnership development among Dutch members to take advantage of the PPP Facility Food Security, and other relevant calls;
- Q&A function (50–80 annually).

Agri-Hub Programme

Market intelligence on food and business

- Directory of Who-is-Who in food and business (country-wise) per region, chain level, services, sub-sectors;
- Regular overviews of relevant investors and donors (and requirements) for farmer entrepreneurship programmes and calls (local and international level);
- Quick-scans for programmatic interventions (e.g. regarding food losses, specific sub-sectors such as dairy/livestock or horticulture).

Brokering support

- Connecting Dutch business/investors to African propositions (5 annually per country);
- Engaging consortia of members to access financial resources from EKN, FAO and others;
- Online market place for Q&A on farmer entrepreneurship-related issues;
- Farmer entrepreneurship and agri-business network get-togethers (quarterly or semi-annual) per country;
- Events or missions for matching North-South and South-South business knowledge & experience exchanges (1 annually per country);
- Agri-Finance Fairs (1 – 2 annually per country).

4.3 Innovation communities

Agri-ProFocus fosters the development of strong communities of practice, particularly around identified key thematic areas. These communities are to expand across Agri-Hub countries and in the Netherlands as far as possible. Agri-ProFocus will facilitate and build the capacity of members to take lead positions in these communities.

Dutch partnership

The target is to develop a flexible coordination around core thematic areas among Dutch knowledge institutes (members of Agri-ProFocus including KIT, WUR, Van Hall Larenstein, ICRA, HAS Den Bosch, et al) and knowledge programmes of other members. This includes:

- Continuing Agri-ProFocus knowledge programme around:
 - Access to Finance
 - Organised Producers in Agri-Business
 - Gender in Value Chains
 - Rural BDS Services
- Development of new thematic areas around:
 - Youth in Agriculture
 - Agricultural Skill Development
 - Land Tenure
 - Water and Climate
- Facilitation of online knowledge platforms:
 - Networking
 - Discussion
 - Tools and Resources

- Co-organising member knowledge events. We are expecting 3–4 Agri-ProFocus powered knowledge events in the Netherlands annually;
- Connecting students of Dutch and local universities to on-going action research (10–20 annually).

It is envisaged to reinforce knowledge coordination and product development by connecting to the DGIS Food and Business knowledge agenda. This also means revisiting the set-up and possible integration of current Agri-ProFocus online knowledge platforms.

Agri-Hub Programme

- Facilitation of innovation communities around focal areas and cross-cutting themes. This is based on Agri-Hub choices led by local members. Per country, 3 – 5 communities are expected.
- Regular calendar of expert meetings, learning events, and knowledge fairs to enable sharing and validation of results and knowledge. Annually, 5–7 are expected per country.
- Offering short-term courses and learning tracks developed through innovation communities e.g. around gender in value chains, farm-firm relations, etcetera;
- Establish close working relationships with local knowledge institutes.

4.4 Platform for debate and learning

Dutch partnership

As a platform for debate and learning, the Dutch partnership intends to influence policy in two ways:

- a. Agri-ProFocus acts as a platform for policy influence for its Dutch members in the field of food security and sustainable food production.
- b. Agri-ProFocus' experiences with Agri-Hubs are taken into account in the implementation of the Dutch agricultural development policy.

With regard to the first, the Agri-ProFocus support office is responsible for keeping regular contact with MinBuZa and MinEL&I to give updates on what goes on in the network. Within the Dutch partnership the Agri-ProFocus policy group will regularly meet and act together on emerging policy issues.

The Agri-ProFocus director will continue to participate in the Platform Food Security (on a personal title) and deliver input to the Topsector Agro&Food. In addition, Dutch policymakers and MPs will be asked to participate in events and meetings organised by Agri-ProFocus.

Agri-Hub Programme

Farmer entrepreneurship flourishes in a favourable and enabling environment where issues are discussed and a culture of learning exists. Depending on the local context, the space for debate, advocacy and policy influence differs. What the Agri-Hubs offer is an opportunity to raise and address policy issues in an open neutral atmosphere, promoting open exchange and mutual learning.

Supporting local actors to engage in a fruitful (learning) debate, the Agri-Hubs provide the space to form opinions and disseminate information. The lead for advocacy actions will be with Agri-Hub members. Expected outputs include:

- Facilitated meetings and online interaction for regular debate around key (policy) issues;
- Fact sheets with lessons learned and policy briefs;
- Dissemination of relevant policy research results;
- Facilitating the knowledge and information flow resulting from the DGIS Food and Business Knowledge agenda.

5. MANAGEMENT PARTNERSHIP

Although the Agri-ProFocus partnership is registered in the Netherlands as a foundation, it is first and foremost an organising principle. To avoid bureaucracy and to prevent the support office from competing with its own members for funds, Agri-ProFocus made a clear choice. Right from the start Agri-ProFocus has functioned as a service-oriented network rather than adopt the features of an organisation. Because the mission of the network focuses on multiple stakeholders, it is important to keep a close eye on the development of a diversified constituency.

The partnership was launched in 2005 with 19 members; today, there are 35 member organisations. The Agri-ProFocus foundation has a Board, a Participants' (Members') Council and a support structure delivering services to its constituency and to the Agri-Hub coordinators in particular. In the box below, the entities within the Agri-ProFocus network are summarily explained.

The Agri-ProFocus Participants' (Members') Council

All partnership members have a vote/seat in the Participants' Council and preferably assign a member of their management team to this function. Participants' Council members have the task of operating as linking pin and are strong Agri-ProFocus ambassadors in their respective organisations. The Participants' Council meets twice a year, elects the Board and advises the Board on member applications, programming, planning and all relevant developments.

The Agri-ProFocus Board

A total of 7 Board members are elected for a maximum of 2 3-year periods. Partnership members can propose candidates from their Board of Directors. Agri-ProFocus has an independent Chair who is also elected for 2 periods of 3 years. In addition, representatives of MinBuZa and MinEL&I participate in Board meetings as observers.

The Agri-ProFocus support office

The founding members that started Agri-ProFocus insisted that a small and dedicated professional support office should be employed by and for the member organisations. It is a dedicated team of network facilitators, with competencies in agriculture, economics, process management and communication.

The Agri-Hub Core group

The Core Group consists of Agri-Hub coordinators, the Agri-ProFocus support team, lead organisation representatives and lead thematic knowledge groups representatives. The Core Group meets face-to-face once a year to exchange experiences, to evaluate and to discuss strategic Agri-Hub management proposals.

The Agri-Hub lead organisation

Each Agri-Hub has been adopted by a so-called 'lead organisation', which takes full responsibility for the local institutional embedding of the Agri-Hub initiative. This includes taking charge of the administrative procedures and housing of the Agri-Hub coordinator and his or her team. Costs are recovered on the general Agri-Hub budget and therefore shared by all those participating.

The Agri-Hub coordination team

In each Agri-Hub, there is an Agri-Hub coordinator with one or two (part-time) staff members. As the Agri-Hubs are becoming increasingly professionalised, there is more need for procedures and rules as far as financial administration and management of activities is concerned.

The Agri-Hub advisory/steering committee

This committee is composed of active Agri-Hub members who have taken up the lead for an Agri-Hub programme/activity. The committee advises the Agri-Hub coordinator and the assigned network facilitator (from the support office) on programmatic financial and management issues.

Agri-ProFocus innovation communities

This refers to specific knowledge and action groups, both in-country and across the network.

The most prominent functionality developed over the years is the Agri-Hub. To date, a country-based Agri-Hub is a local network functioning through the legal entity of the lead organisation and an advisory committee. So far, Agri-Hubs have no official, independent registration in the respective countries. In practice, what happens in the Agri-Hubs is determined by its local and international contributors and by the members of the Agri-ProFocus innovation communities.

The overall Agri-ProFocus mandate is determined by the Board of Agri-ProFocus in The Netherlands, representing the Participants' or Members' Council. The Participants' Council meets twice a year, the Board four times annually.

This hybrid management model will not change during the coming 4-year period. Agri-ProFocus will keep its character of a fluid network, rather than becoming an institutionalised organisation. Agri-Hub coordination will keep functioning through the legal entity of the lead party. The advisory committees, which have arisen in many Agri-Hubs, will keep their advisory status towards the Agri-Hub coordination for the time being. However, where feasible, an increased involvement by local organisations and non-Dutch international organisations in the functioning and funding of the Agri-Hubs will be explored.

The support office in Arnhem will support local member-led Agri-Hubs and foster mutual steering in the network. The present practice of the annual Core Group Meetings in the Netherlands and the annual planning and evaluation meetings of the Agri-Hubs will be further consolidated into standard practice.

6. FINANCIAL ARRANGEMENTS AND BUDGET

So far.....

During the first phase (2005-2008), Agri-ProFocus received funding from DGIS and its members to finance coordination (support office) and a number of defined activities, such as expert meetings in the Netherlands and producer organisation-led trajectories.

The results of the first phase and the general revival in 2008 of the notion "Agriculture for Development" encouraged members and DGIS to invest in Agri-ProFocus' second phase (2009 -2012). The launch and the running of the initial 7 Agri-Hubs in 2009 was financed 100% by Agri-ProFocus members and their local partners. It should be noted that the financing of the Agri-Hubs comes on top of the membership fee of €2,500. Furthermore, the Agri-Hub lead members ICCO, Hivos, Oxfam Novib, Cordaid and SNV invest €20,000 – €35,000 yearly in the functioning of the support office in Arnhem.

Based on positive results in creating synergy with the Food Security agendas of the MASPs of a number of embassies, DGIS allocated additional funding for Agri-ProFocus for 2012. This funding included additional human resource support and an Agri-Hub matching fund. The principle is simple: Agri-Hub investment of members is matched by 50% of DGIS investment.¹⁶

- In 2012, the total budget at the level of the Arnhem support office amounts €874,000 of which €200,000 are member contributions
- Total estimated budget Agri-Hubs for 2012 amounts to € 1,975,000. Of the latter, €800,000 are member investments, and the other part is from DGIS/DDE.

Summarising, the contribution of members to Agri-ProFocus has increased from € 118,000 in 2006 to an expected total contribution of € 1,000,000 in 2012. This is an increase from 17% of the total budget in 2006 to 35% in 2012.

The future...

The Agri-ProFocus support office is proud to profile itself as having a neutral, facilitating and brokering role for its members. In other words, although Agri-ProFocus is a legal entity in the Netherlands, it will not be competing with its members in calls for proposals. As agreed, Agri-Hubs function through the legal entity of the lead party. Agri-Hubs are also governed by the same non-competing principle as the support office. However, this principle has consequences for the options of funding mechanisms for the Agri-ProFocus support office and the Agri-Hub coordination.

From the above, we conclude that there is moral and substantial financial support from DGIS/DDE. Through MinEL&I, Agro&Food business links can be assured. Embassies are increasingly interested in contributing financially to the functioning of Agri-Hubs in return for tailor-made services. It is anticipated that the support of DGIS/DDE will continue both vis-à-vis the support office in Arnhem and in the matching grant for the functioning of the Agri-Hubs.

Dutch partnership members will be requested to reconfirm their commitment for the next phase, based on the operational plan 2013-2016.

In addition to institutional funding from DGIS and partnership members, Agri-ProFocus as a whole offers quality services and products to members for inclusion in their externally funded proposals. For example embassy funds, the DGIS PPP Food Security Facility and others. The few pilots with this funding mechanism are promising. To be eligible, a number of minimum requirements and conditions will be applied, among which are accessibility to information and the development of products for other members.

¹⁶ It should be noted that investments of Dutch embassies are not included in this matching arrangement.

In Annex 1, a preliminary budget for the period 2013-2016 is presented. The budget contains two parts, namely (i) Partnership budget and (ii) Budget Agri-Hubs, totalling €5,256,100 and €13,077,500 respectively for this four-year period. Member contributions amount to 32% of the total Agri-ProFocus budget of €18,333,600.

ANNEX 1. PLANNED BUDGET AGRI-PROFOCUS, 2013-2016

	2013	2014	2015	2016	Total
1. Partnership Budget					
A. Personnel costs	570.300	579.400	587.700	597.000	2.334.400
B. General costs	79.800	83.850	86.500	91.550	341.700
C. Activity costs	750.000	610.000	580.000	640.000	2.580.000
Total 1.A - 1.C	1.400.100	1.273.250	1.254.200	1.328.550	5.256.100
Estimated receipts					
Membership fee (€3000)	100.000	100.000	100.000	100.000	400.000
Extra contributions members	105.000	105.000	105.000	105.000	420.000
Interest	3.000	3.000	4.000	4.000	14.000
Funding MinBuZa	1.192.100	1.065.250	1.045.200	1.119.550	4.422.100
Total	1.400.100	1.273.250	1.254.200	1.328.550	5.256.100
2. Budget Agri-Hubs					
A. Personnel costs Arnhem office	333.500	341.000	346.000	351.000	1.371.500
B. Activity costs Agri-Hubs	280.000	281.000	282.000	283.000	1.126.000
C. Knowledge Agenda Agri-Hubs	150.000	130.000	150.000	150.000	580.000
D. Coordination-implementation Agri-Hubs	2.200.000	2.400.000	2.600.000	2.800.000	10.000.000
Total 2.A - 2.D	2.963.500	3.152.000	3.378.000	3.584.000	13.077.500
Estimated receipts					
Funding MinBuZa	1.863.500	1.952.000	2.078.000	2.184.000	8.077.500
Investments Agri-Hub members	1.100.000	1.200.000	1.300.000	1.400.000	5.000.000
Total	2.963.500	3.152.000	3.378.000	3.584.000	13.077.500
Grand Total	4.363.600	4.425.250	4.632.200	4.912.550	18.333.600
Grand Total Funding MinBuZa	3.055.600	3.017.250	3.123.200	3.303.550	12.499.600
Grand Total Funding members	1.305.000	1.405.000	1.505.000	1.605.000	5.820.000
Interest	3.000	3.000	4.000	4.000	14.000

ANNEX 2. LIST OF ABBREVIATIONS

BDS	Business Development Services
BoP	Base of the Pyramid (Netherlands)
CBI	Centre for the Promotion of Import from developing countries (Netherlands)
CSO	Civil Society Organisation
CSR	Corporate Social Responsibility
DGIS/ DDE	Directorate-General International Cooperation/ Department of Sustainable Economic Growth (Netherlands)
EKN	Embassy of the Kingdom of the Netherlands
EL&I	Ministry of Economic Affairs, Agriculture and Innovation (Netherlands)
FAO	Food and Agriculture Organisation
FDI	Foreign Direct Investment
FDOV	Facility for Sustainable Entrepreneurship and Food Security
F&S	Fair & Sustainable Advisory Services
IDH	(Dutch) Initiative for Sustainable Trade
IIRR	International Institute of Rural Reconstruction
KIT	Royal Tropical Institute
MASP	Multi-Annual Strategic Plan
MDG	Millennium Development Goal
MFI	Microfinance Institution
MinBuZa	Ministry of Foreign Affairs
MinEL&I	Ministry of Economic Affairs, Agriculture and Innovation
MMF	Matchmaking Facility
MoU	Memorandum of Understanding
MVO-NL	Maatschappelijk Verantwoord Ondernemen Nederland
NABC	Netherlands-African Business Council
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Cooperation and Development
PPP	Public-Private Partnership
PSI	Private Sector Investment
Q&A	Questions & Answers
SME	Small-Medium Enterprise
ToC	Theory of Change
VHL	Van Hall Larenstein
WRR	Scientific Council for Government Policy
WUR-CDI	Wageningen University–Centre for Development Innovation

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