

Skills development as a tool for sustainable progress towards SDG 2: Zero Hunger in Africa





Executive Summary

The growth of sustainable agriculture businesses is key to achieving zero hunger as well as creating jobs in Africa. The African Management Institute supports SDG2, 'End Hunger, in a number of ways. First, we support SMEs in the 'hidden middle' to attract capital and grow – these SMEs have a critical role to play in unlocking the smallholder production capacity required to end hunger.

We have developed a youth agribusiness programme to drive talent into the sector, support innovation and create jobs for youth. We build management capacity within larger and more innovative producers or value chain players so that they grow more quickly, absorb capital, drive innovation in the sector, and often, provide inputs/innovations that unlock further smallholder farmer capacity.

Finally, we develop the leadership potential of policymakers and ecosystem influencers to create an enabling environment for sector growth for SMEs, smallholder farmers and innovators.

What are the needs?

SDG 2 sets an ambitious goal of zero hunger by 2030. The latest indicator data from the UN suggests a mixed pattern of progress. The number of people at risk of hunger has increased since 2014, with Sub-Saharan Africa (SSA) the region with the highest prevalence of hunger.

Achieving zero hunger is not an isolated goal, it impacts whether other SDGs, including SDG 3 (good health and wellbeing) and SDG 4 (quality education), can be achieved.

Moreover, according to the World Bank, agriculture is responsible for 52% of total employment across SSA, making it critical for addressing the African jobs crisis, particularly for youth and women who make up high percentages of those employed by the sector, and enabling the promotion of sustainable livelihoods (SDG 8).

Given the importance of SDG 2, it remains a priority goal for many development agencies and funders. With 80% of farmland in SSA managed by smallholder farmers, it is no surprise that the UN suggests the key to achieving SDG 2 is in 'improving the productivity and incomes of small-scale farmers'.

To do this, the UN suggests: 'to strengthen the resilience and adaptive capacity of small-scale producers, it is important to enable them to overcome barriers in accessing markets, financial services, information and knowledge'.

AMI has identified several levels of ecosystem-level interventions that can help unlock smallholder farmer capacity to drive sustainable production more broadly:



1. The hidden middle

Supporting 'hidden middle' SMEs, who enable smallholder farmers to access markets, or provide them with critical inputs, or drive innovation that they can benefit from. Smallholders often lack revenue streams and opportunities to grow because agriculture value chains are broken. The middle of the economy is often 'missing' in SSA markets. By strengthening larger SMEs, it creates a bridge to markets for those lower down the value chain, helping to unlock their potential.



2. Talent Capacity

Driving youth in the sector, to ensure a supply of talent, and innovation from youth-led startups. It is well-acknowledged that youth are viewing agriculture as a less attractive work sector, and may not fully appreciate all opportunities the sector presents. There is an opportunity to support young talent to set up new enterprises that create jobs and drive innovation.



3. Innovation

Supporting larger, innovative producers/ input providers to grow, create jobs, drive production themselves and develop innovations that all producers can benefit from. For example, Victory Farms in Kenya, the fastest-growing fish farm in East Africa, sells 30 metric tonnes of fish per day, the equivalent of 20 million high protein meals per year. At the same time, Victory Farms places particular emphasis on growth in a sustainable way engaging in several sustainability practices including conservation, a net carbon negative target and reliance on renewable energy. Supporting these organisations to be able to achieve their organisational goals as quickly and efficiently as possible is key to achieving the goal of zero hunger. As above, addressing soft skill challenges remains an exciting opportunity to accelerate change towards SDG 2.



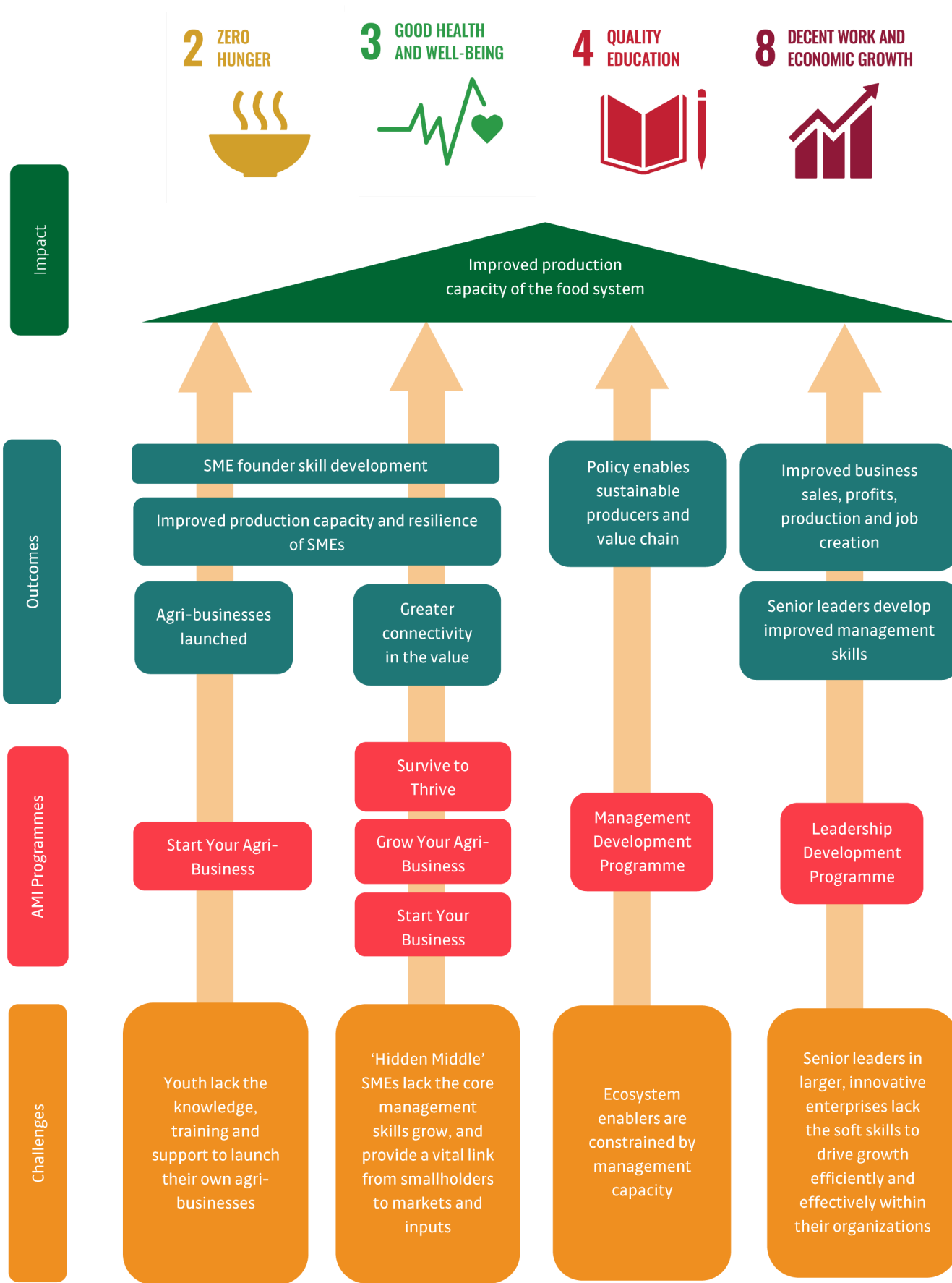
4. Supporting the development of an enabling ecosystem.

Policy has a key role to play in creating a system in which large and small producers, and other critical value chain players, can thrive to sustainably improve nutrition outcomes across the continent, whilst creating jobs.

A recognised challenge to growth across these nodes of the agriculture system in SSA is poor human capital development as noted by the African Development Bank:

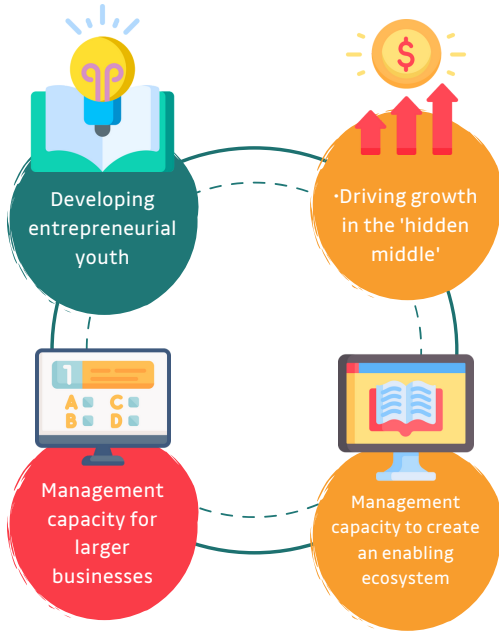
In many SSA countries, agricultural education is poorly developed, and lacks a focus on markets and soft skills alongside know-how.' It is with these challenges in mind that AMI has designed its human capital offering in the agriculture space.

The AMI Theory of Change in Agriculture



Productive capacity of agriculture industry does not meet the needs of Sub-Saharan Africa

AMI Impact on the Agriculture Sector



The pilot has since expanded to a second, and now the third intake of entrepreneurs, with further expansion and potential translation of the programme planned for 2022.

These skills were particularly important during the pandemic. AMI's 'Survive to Thrive' programme helped SMEs to navigate the additional challenges brought on by the Covid-19 market disruption. As Mohamed El Moustapha said: 'Our revenue projection for 2020 was \$1m but with COVID-19, everything changed. This programme really came at the right time because when COVID-19 hit we barely had much going on. Being part of the programme helped me re-centre my goals, I loved it from the word go!'

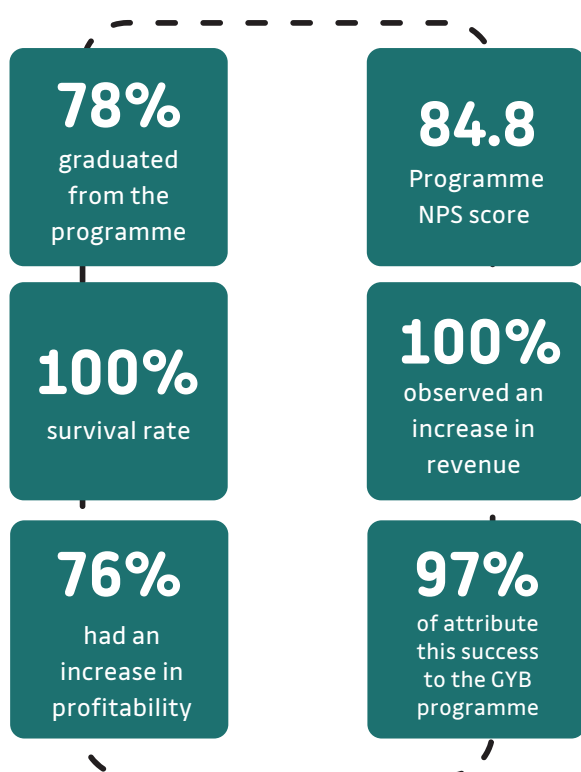
Outside of direct programmes, AMI also partners with investors to provide portfolio support to their investees. Partnerships include programmes with AgDevCo and Acumen to support portfolio companies. For example, with AgDevCo, AMI worked with senior leaders and business owners from 16 agri-businesses to improve soft skills like communication, problem-solving and ownership.

Overall, improving the business performance of SMEs in the agriculture sector translates into the improved food production capacity of the overall sector. This also helps to improve overall value chain efficiency as these SMEs are the customers of small holder farmers, responsible for over 80% of farmland in SSA. This improved efficiency helps to ensure the sustainability of the smallholders, improving food security and livelihoods in these local communities.

Driving growth in the 'hidden middle'

To date, AMI has helped 200 SME founders & managers in agribusiness value chain SMEs to address their key challenges.

One example is the 'Grow your Agribusiness' programme, provided in partnership with Aceli Africa, which provided technical assistance for SMEs with annual revenues of \$30-500k, and prepares them for accessing appropriate capital. Of the 50 participants in the pilot:



Youth enterprise in agriculture

Here AMI aims to target the dual goals of stimulating agri-entrepreneurship whilst also targeting youth engagement. There is a clear need to stimulate new business in agriculture given the status quo and at the same time a viable source of entrepreneurs are SSA's youth who typically experience high levels of unemployment.

One example project is the partnership with the Agripreneurship Alliance where AMI helped to create web-based tools, resources and courses to be used by training institutions and universities across SSA. The train the trainer model ensures that partnering institutions will be able to deliver impact long after the partnership ends. The goal of the programme was to create resources that inspire young agripreneurs and guide them through the business start-up process. Participating universities included:

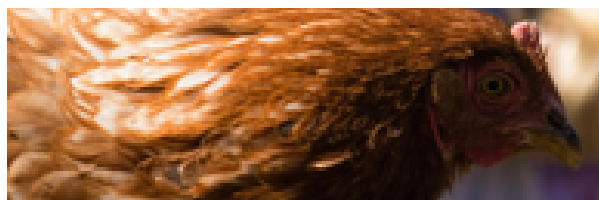
- Kenya: Egerton and Laikipia Universities
- Uganda: Gulu University and International Institute of Tropical Agriculture
- Somaliland: IGAD Sheikh Technical Veterinary School

Management capacity-building for medium & large-scale innovative enterprises and ecosystem enablers

Medium & large-scale innovative enterprises

Here AMI partners directly with larger organisations, to work with their management teams on improving efficiency and effectiveness through soft skills programmes.

By enhancing the managerial capacity of large scale producers, AMI directly contributes to improving productive capacity across the agriculture sector with the potential to provide improved food security to millions of people.



EthioChicken is one of the leading poultry companies in East Africa, distributing more than 20 million birds annually. Together with AMI, they set out to enhance management personal effectiveness and leadership capabilities over a 12 month programme. Longitudinal evaluation demonstrated that the programme contributed to significant improvement in management skills with the biggest improvements seen in:

- Selecting candidates for your team (34% improvement)
- Creating a work environment that is motivating for staff (32% improvement)
- Running efficient meetings (30% improvement)

This improvement in managerial capacity resulted in improved team performance as well with teams reporting:

- 89% improvement in team dynamics; learning and growth
- 78% improvement in productivity, effectiveness and motivation
- 67% improvement in ownership of issues



Similar results emerged from the evaluation of a programme with Unga, a large feed miller in East Africa. Over 12 months, Unga worked with AMI to implement a Leadership Development Programme seeking to build senior management capacity in line with their competency framework. Overall, this had substantial impact on the company:

- Customer satisfaction improved by 16%
- Revenue increased by 36%
- Employee turnover improve by 67%

These benefits were driven by benefits to the programme participants and their teams:

- 88% acquired new skills in key management topics including project management, managing customers and managing themselves
- 75% of team members reported improvements in productivity
- 88% reported improved motivation at work

Ecosystem enablers

These organisations influence a huge number of small-scale producers and so, intervening at this level can be a potential lever on affecting change across millions of actors. One example is partnership with Africa Lead to design and implement a six-month leadership training and coaching program with 20 managers of strategic agricultural organisations from 8 countries.

The course included learning labs, monthly webinar masterclasses and action learning projects. It aimed to develop participants ability to lead by influence, empower teams to achieve greater results and built a culture of ownership. Africa Lead's 360 evaluation of the programme demonstrated that:

- 88% of respondents felt that participants had applied learning from the training in their work
- 88% of respondents had seen a tangible performance from the reviewed participants
- 95% and noticed improvement in leadership ability, effectiveness or motivation

A second, national example, is the (SASA) whose purpose is to promote the sustainability of the South African sugar industry which is a source of livelihood for 1.2m South Africans. This includes critical functions like export marketing and agricultural finance.

Together with AMI, SASA looked to improve the management capacity of it's management teams, focussing on skills like enhancing ownership, having difficult conversations and building teams. Over several months, participants worked on developing these in a blended learning programme.

These benefits ultimately translate into SASA being better able to serve its 1.2m members, which in turn improves their productive capacity helping to improve food security for millions of people across South Africa.



100 managers took part and reported the following benefits:

1. 100% say they acquired new skills
2. 100% report improved effectiveness at work
3. 95% say their motivation has improved

As a result, team members have also benefited:

1. 89% reported improvements in productivity
2. 84% reported being more effective and more motivated
3. 79% reported improvement in learning and growth



CALA is an AGRA-led initiative

Recognizing the power of ecosystem enablers to transform systems, AMI is embarking on new and exciting projects including a partnership with AGRA and USAID Policy LINK to launch the Centre for Advance Leadership in Agriculture, through which AMI will co-implement the Advanced Leadership Programme for 160 civil, public and private leaders from 8 African countries over the next 3 years. The AGRA-led initiative provides an opportunity for outsized ecosystem-level impact on food security policy and practice

Conclusion

Progress towards SDG 2 is slow and complex. A systemic approach is needed that unlocks the potential of smallholders and larger producers, by enabling the SME missing middle, youth-led startups, larger more innovative organisations and policy makers.

While there are several challenges at each of these levels, a common challenge remains that human capital is severely under-developed, leaving a large opportunity for progress. Recognising this, AMI has developed a human capital offering that looks to address these barriers to growth.

The reported effects of AMI's programmes demonstrates that AMI is effective at enabling business outcomes which in turn improves food security for millions of people across Sub-Saharan Africa, further enabling improved livelihoods, education and wellbeing.

To learn more about AMI's work to help achieve SDG 2 through skills development, or to partner with us, contact:

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