Food Security Call

WIDU Kenya

Food Security Kenya

Agri-Services

Farming and food production

Food processing

Nutritional health

Reduction of food waste

IT and data for food security

german cooperation
DEUTSCHE ZUSAMMENARBEIT

Implemented by
giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

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Overview of the Program

Creation of jobs and promotion of entrepreneurship - by leveraging on **diaspora remittances** from Europe through a **digital platform**

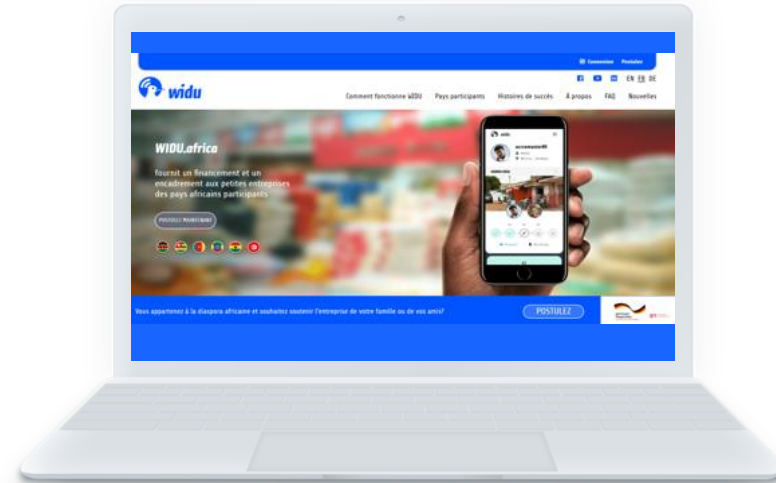**Federal Ministry for Economic Cooperation and Development (BMZ).**

5 years (2019- 2023) with possibility of extension

Regional Project (Multi-lateral) implemented in **6** African partner countries:

GHANA   CAMEROON   TOGO   KENYA   ETHIOPIA   TUNISIA

Background

Diaspora in Europe
- ❖ Sends money to home country
- ❖ Knows family and friends with good business ideas / keen to invest in promising ideas
- ❖ Funding often intransparent

Entrepreneur
- ❖ Has good business ideas
- ❖ Knows business environment
- ❖ Lack of business skills
- ❖ Lack of access to finance

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- ❖ Leverage funds when invested in small scale business
- ❖ Training provided to local entrepreneurs
- ❖ Transparency and involvement of Diaspora

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Main actors and their roles

1

Diaspora

- ❖ Initiates process
- ❖ plus entrepreneur **sets the objectives of the projects**.

2

Entrepreneur

- ❖ Together with donor sets the objectives of the projects.
- ❖ Implements **project on the ground.**

3

GIZ/BMZ

- ❖ GIZ provides the **admin. framework and regulatory procedure.**
- ❖ BMZ, the **funding**

4

Business Coach

- ❖ Provides **technical assistance** – financial literacy and business modeling to ensure success of business

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WIDU Grants: 2 Types of Finance

Original WIDU Grant

**Private investment of max 2500 €.
WIDU grant to double
the initial amount invested
(max 2500 €) + Individual coaching
+250 € Corona Top-Up**

Local Thematic Call
**(Green Call, Food Security
Call etc .)**

**Instrument <u>without diaspora</u>
Financing with ratio of 1:2,5
2.500€ (15 piloted projects max. 5,000€)
+ enhanced individual coaching**
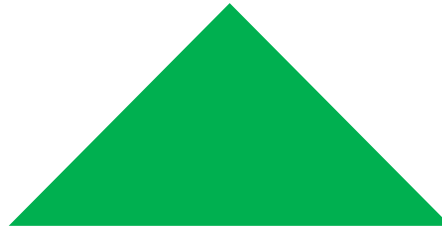
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What makes WIDU so innovative?

Local Expertise
Local expert knowledge to ensure small business' success through individualized coaching

Combination of Financial and Technical Cooperation
Combined access to technical skills and financial support is a ground-breaking strategy.

Platform Economy
Efficient, secure and scalable business support

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Figures

24
Corona Business Grants

1,243
Registered Projects

65
Green Projects (LC)

437
Approved Projects

746,232
€ Disbursed Grants

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Background

- Food security is **one of the major challenges in Kenya** as well as some other African countries.
- Due to the intersection of multiple crises – Covid-19, prolonged drought and Russia-Ukraine war the food security situation is significantly deteriorating and thousands of humans are at risk of starvation in Kenya.

Russia invades Ukraine on multiple fronts

Rising Inflation and costs of living

Prolonged and biting drought

- **Idea**: A local thematic call of WIDU in Kenya, that aims to directly support businesses that contribute to food security. The grant can reach more business by removing the diaspora requirement.

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Background: Why food security?

1. Responding to the most pressing issue Kenya
2. Increased development and humanitarian impact of WIDU.
3. Food security is a key topic of the Kenyan government. It also is a key topic for BMZ, EU and other donors in the Horn of Africa.
4. Qualifies WIDU as response instrument applicable in unusual times including economic crisis.

Kenya to partner with EU on food security plan

Linturi said the ministry is also keen to partner with the EU to impact farmers

In Summary

- The European Union Commission has pledged to support agricultural productivity in Kenya by supporting the government's initiatives on food security and also by extending support to local small-scale farmers to improve their incomes and food production.

Agriculture CS Mithika Linturi with EU delegation at his Kilimo office on Monday, January 16, 2023.

European Commission - Press release

Food security in Horn of Africa: EU steps up support to drought-affected countries

Brussels, 26 April 2022

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Definition of „Food Security"

- The United Nations defines food security by **four dimensions**:
  1. **Physical availability of food**
  2. **Economic and physical access to food**
  3. **Food utilization** (diversity of diet, knowledge of good preparation practices, and appropriate distribution of food within a household)
  4. And the **stability of these three dimensions** over time.
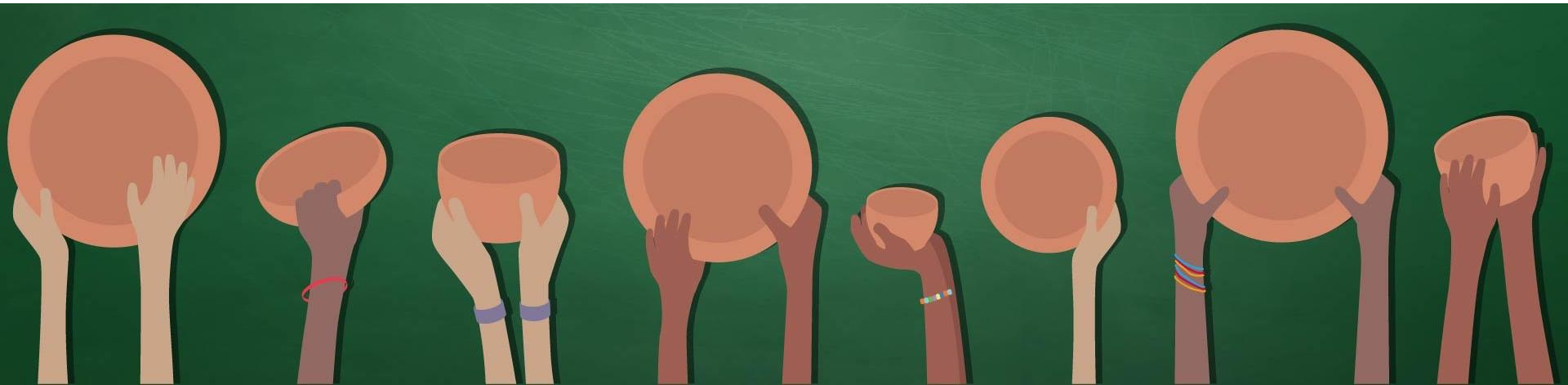
Types of businesses contributing to food security

Ticket size needed

Agri services (e.g. agricultural retailer, grain elevator, feed supplier, and wholesale fertilizer supplier)

Agricultural consulting

Social kitchens (incl. school lunch programs)

Agribusinesses

IT solutions (e.g. weather data, agricultural information, food distribution, food purchasing, healthy nutrition)

Water storage systems

Plant cultivation methods (e.g. ecological fertilizers)

Food waste reduction concepts

Food storages

New food store concepts (e.g. healthy food store)

Fishery and aquaculture

Smallholder farmers

Innovative and green start-ups

The bottom of the pyramid

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Overview Food Security Call

Basic Concept	Support small-scale businesses or business ideas that contribute to sufficient, safe and/or nutritious food and agricultural production in Kenya
Minimum requirements	• Existing businesses (min 6 months, business licence not required) • Grant request for <u>new</u> investments to grow the business (no financing of older investments) • Creation of additional employment (min 1 person) through the investment
Eligibility	• Applicant must be a Kenyan National, 18+ years old • Applicant must have MPESA/bank account • Applicant can be a university graduate, a business owner in the agricultural, food processing, agri-services, water, etc. sector.
Duration of Call	01.04.2023 – 15.04.2023
Project financing	Minimum own investment of *Kshs 60,000* (max. *Kshs 160,000*) from entrepreneur = WIDU contribution **2.5 x grant** (min Kshs 150,000, max. Kshs 400,000)
Number of supported projects per pilot country/ Total Budget	About 50 (up to 75.000 EUR / *Kshs 10,000,000*)

Food Security Kenya

Agri-Services

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Food processing

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Proposed Categories for the call

Farming

Agri-Services

Food processing

Nutritional health
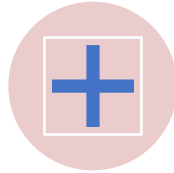
Reduction of food waste

IT and data for Food security

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Criteria

WIDU STANDARDS

VALUE ADDITION
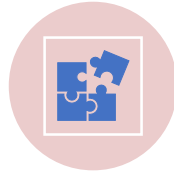
INNOVATION

JOB CREATION

IMPACT

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Farming

Definition:

Agricultural businesses growing or producing vegetables, fruits, herbs, crops, livestock/animals, milk, eggs, etc.

Expected Impact:

Increased availability of food products, improved access to food for the urban populations.

Examples:

- Horticulture (e.g. farming of vegetables, fruits, nuts, herbs)
- Animal husbandry and dairy farming (e.g. cows, milk, goats)
- Poultry farming (e.g. chicken, eggs)
- Crop cultivation (e.g. teff, wheat, barley)

Agri-Services

Definition: Provider of services and products for farmers

Expected Impact:

- Improved cultivation (e.g. climate-resilience) and livestock methods
  (e.g. reducing illnesses)
- Higher agricultural yield

Examples:

- Feed supplier (e.g. using local varieties)
- Distributor/Retailers of ecological fertilizers
- Mechanization services
- Consulting services for new/ innovative plant cultivation methods/ water/ or soil improvement

Food processing

Definition: Businesses that transform agricultural products into food ingredients or processed food.

Expected Impact:

- Increased availability of processed ingredients or processed food products.

Examples:

- Bakery
- Yoghurt, Unga
- Honey production

Nutritional health

Definition:
IT and data solutions that provide services and applications for the agri
food value chain.

Expected Impact:
- Improved food utilization (e.g. diversity of diet, knowledge of good preparation practices, and appropriate distribution of food within households)
- Improved nutrient efficiency

Examples:
- Healthy and nutritious food providers and restaurants
- Consultancies on nutrition and health
- Websites, platforms and apps on health and nutrition
- Catering services for schools, university students, hospitals, displaced communities and other social institutions

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Reduction of food waste

Definition:

Expected Impact:
- Decreased amount of food wasted.

Examples:
- Solutions for transportation of agricultural products from farmers to markets and customers.
- Solutions for packing and preservation of food products.

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IT and data for food security

Definition:
IT and data solutions that provide services and applications for the agri-food value chain.

Expected Impact:
- More efficient agricultural production and/or food distribution through digital technologies
- Improve the consumption of nutrient food products through digital technologies

Examples:
- Platforms that provide weather data
- Platforms for agricultural information, news, policies
- Farmers market apps and platforms

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Process

Local Call – Process and Financing

Registration

01 An entrepreneur in a participating country in Africa registers on the WIDU platform and creates a profile

02 The entrepreneur formulates a business idea and uploads an investment plan

1st coaching

Private Investment

03 WIDU team reviews project application and decides over eligibility

04 Private investment has been spent and documented on the platform

2nd coaching

Grant Investment

06 WIDU team reviews grant application and decides over eligibility

Grant transfer (90%)

07 WIDU grant is invested and documented on the platform

3rd coaching

08 Decision on final project

Remaining 10% are transferred

Project financing *

Private investment   Grant investment

Entrepreneur
MINIMUM 500 €

WIDU's contribution
x 2.5
MINIMUM 1.250 €

* Maximum 2.000 € + 5.000 €
Minimum 500 € + 1.250 €

+ 10% of the grant will be disbursed after successful documentation of the grant

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Process

- Application
- Approval and first coaching
- Own investment and second coaching
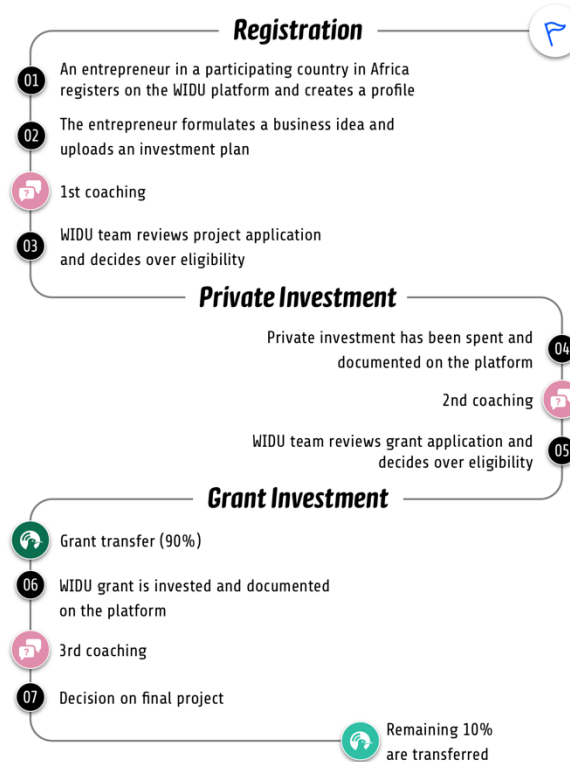- Grant investment and third coaching
- Project closure

Local Call – Process and Financing

Registration

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1st coaching

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05 WIDU team reviews grant application and decides over eligibility

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Project financing*

Private investment   **Grant investment**

Entrepreneur

MIN. 500 €
MAX. 2,000 €

WIDU's contribution

x 2.5

MIN. 1,250 €

MAX. 5,000 €

Please note:
10 % of the grant will only be disbursed after successful documentation of grant investments.

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Process - Registration

Registration

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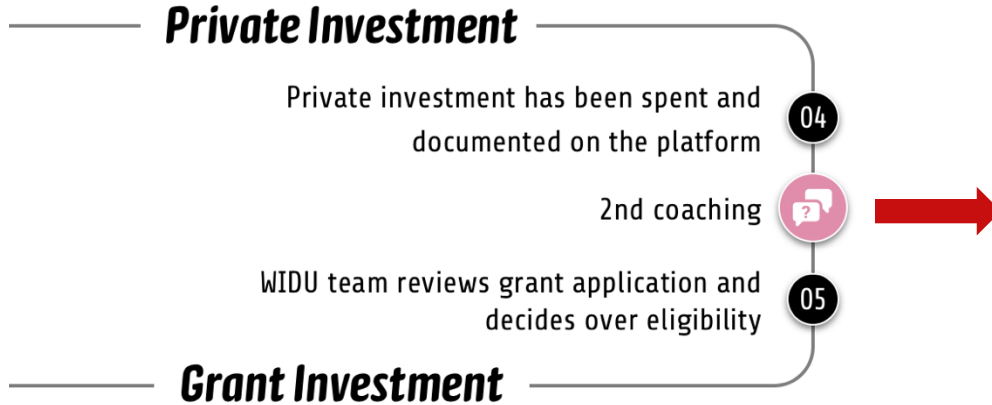
1st coaching

03 WIDU team reviews project application and decides over eligibility

Private Investment

Expected documentation:
- Business registration (6 months or more)
- Evidence of own investment
- Verification of identity (corresponds with application.

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Process - Private Investment

Private Investment

Private investment has been spent and documented on the platform **04**

2nd coaching

WIDU team reviews grant application and decides over eligibility **05**
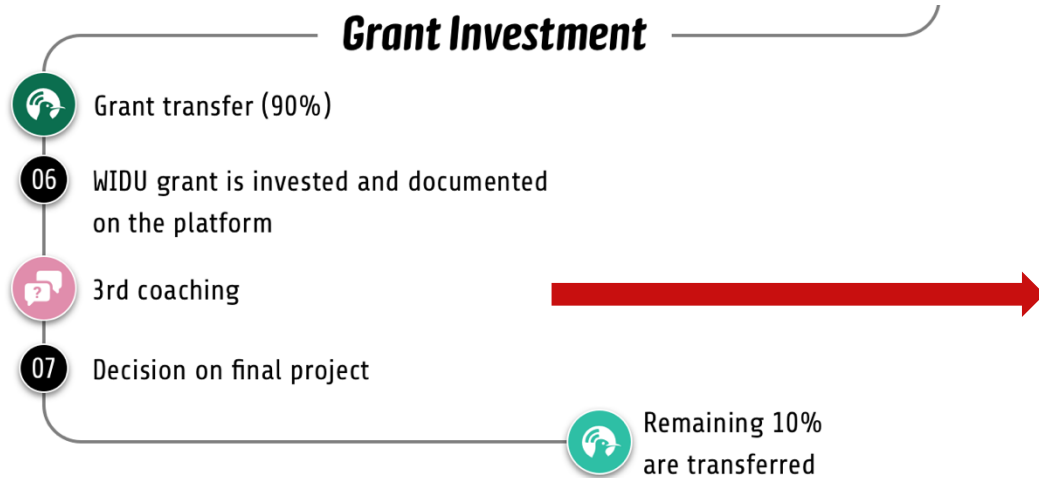
Grant Investment

Requirements:
- Ensure complete, accurate and verifiable receipts
- Assets/expenses are available as per the receipts provided
- Employees correspond with the employment list
- Improvement in business record

Tools for the coach:
- Business Canvas
- Financial Tracker
- Employee List

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Process - Grant Investment

Grant Investment

- Grant transfer (90%)
- **06** WIDU grant is invested and documented on the platform
- 3rd coaching
- **07** Decision on final project
- Remaining 10% are transferred

Tools for the coach:
- Financial Tracker
- Employee List

Requirements:
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