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Knowledge Economy Foundation has the pleasure to present its first COE report, although we have been honored to present our inclusive business approach initiative in the agribusiness sector to various UNGC events in Egypt to date.

We also take this opportunity to reaffirm our commitment to the UNGC ten principles, whereas our overall activities are all aligned to achieve a number of key SDGs objectives, and in particular the SDGs 1,2,8,13,14,15,16,17. Indeed our core objective is to secure sustainable development programs in the agribusiness sector and specifically to enable the improvement of small farmers livelihoods through their association to business solutions approaches and the extensive use of knowledge based ICT tools. Businesses have become a critical partner in designing and delivering effective, scalable and practical solutions for food security and sustainable agriculture.

As such, our programs are closely linked to engaging large corporate in achieving SDG goals and in particular SDGs 2 and the top 7, 8,9,10 principles of the UNGC. Furthermore, we are planning a close cooperation with the Egyptian chapter of the UNGC to design and implement programs to engage a larger number of corporate in the agribusiness sector, as it represents the largest job creation potential , and requires from large companies to conduct responsible business and provide leadership in their respective ecosystems and value chains.

We wish to express our sincere thanks for the fruitful support and networking provided by the UNGC team and the constructive interaction with the members of your esteemed organization Looking forward to a continuous and growing scope of our cooperation.

With our best regards,
J. Dorra Fiani
President of Knowledge Economy Foundation

Knowledge Economy Foundation An Agriculture Knowledge & Marketing Systems Innovator

Operating “Bashaier”, 1st Agriculture Marketing Network in Egypt
combining ICT and inclusive business approach

Vision: Knowledge applied to business activities enables bottom-up empowerment, while generating entrepreneurship and competitiveness

Mission: Support value chain strategies with the development inclusive business approaches focusing on small farmers groups SMEs linkage to their markets, through the set-up of sustainable marketing networks using ICT-based tools and targeting the agribusiness value chains representing 50%+ of the economy and of the Egyptians livelihood.



KEF inclusive business approach strategy

- Serving the 7 million farmers in Egypt, representing 75% of the cultivated land with less than three acres and the MSMEs in the new agribusiness national projects, whereas small scale agriculture is a necessity to secure food security (IFAD 2015)
- Marketing: the “carrot” pulling up small farmers in the value chain & enabling “good agricultural practices”
- Inclusive business approach provides “agribusiness start-ups” opportunities for the youth at local and regional levels: such as post-harvest services, clusters, etc...
Managing the network of small farmers’ communities (Coops/NGOs) and creating new commercial structures whenever possible through direct linkages to their markets, and all the players in the agriculture value chain: buyers, input suppliers, experts, etc... as an alternative supply chain to the traders monopoly.
- **Establishing “Bashaier” as the 1st Agriculture Digital Marketing Network fulfilling the farmers primary need for sustainable marketing solutions**
- ICT tools: mobile and web platform, to enable and support the market linkages and create attractive new rural job opportunities for the youth corresponding to their life styles
- Egypt’s 2030 strategy adopted e-commerce and digital networks as the basis of the agriculture sector development.

KEY FEATURES AND IMPACT

The **Egypt Agrifood Digital Network** was designed to replicate the successful cases of applying ICT in agriculture in several emerging countries such as sub Saharan Africa and India, with the aim to contribute to the improvement of the livelihoods of small farmers, through the use of interactive communication and knowledge sharing tools, while aiming to achieve such goals through a multi-stakeholder public private partnership.

However, during the project implementation (funded with the support of 2 grants from the EU and Canada) we have identified major constraints pertaining to the large majority of the Egyptian small farmers landscape, in particular the absence of organized structures enabling small holders (80% of cultivated land is in small holdings of average 3 feddan) to implement bulk sales or purchases, as well as the lack of marketing skills in the existing coops or rural NGOs which to date are the only existing legal structures allowing bulk contracts with the various market buyers. These constraints need to be addressed as well, to enable the improvement of the small farmers' livelihood, and thus the full benefits of the digital media applied to the agriculture sector.

A key outcome of our project is to have identified these issues and to have designed and operated a model, which is scalable and replicable, considering the impact achieved to date by our Bashaier network, as the only operational marketing platform in the horticulture sector, which we have extended to the fish value chain in 2017 and plan to cover as well the dairy value chain, and supported by int'l institutions.

Adopting a "learning by doing" approach, we have designed, tested and operate a "**Virtuous Triangle Model**" to represent the 3 necessary components of a development model based on a business solutions and a bottom up approach; such components need to be simultaneously present and coordinated to achieve the targeted results. We have also identified in the fish and dairy value chains baseline surveys the same needs among the small farmers in the sectors as in horticulture, that is "marketing of their produce", "access to quality information", and "market information", and have thus adopted the same network strategy.

The success of the model is based on the combination of the three interlinked components:

A. The 1st agrifood digital network on mobile apps, web and SMS and online marketplace

It secures the knowledge management and dissemination to the small farmers of all the market and extension services information which does not reach them, such as daily market prices and extension services messages.

It provides an agrifood online marketplace to link directly farmers and buyers and input suppliers, by publishing and matching their offers, thus widening their respective reach as buyers and sellers and create alternative supply chains to the present traders. The service covers the 3 types of deals: contract farming, supply contracts, spot deals.

The same "online marketplace" is added for the buy/sell of input supplies.

B. The value chain marketing management platform

The success of the platform is based on its positioning as an independent third party facilitator as well as its on-going marketing support combined with the ICT network, to enable buyers and sellers to reach agreements, and to advise SMEs small farmers associations on their optimum marketing plans.

It also addresses the lack of sustainability of most past donors' projects which secured capacity building of small farmers groups, without considering the need for an external structure to manage the market linkages on a permanent basis.

C. The small farmers associations network

A capacity building scheme for the small farmers and their associations becoming member of the network, which combines marketing and related GAP, to enable them beyond the benefits offered by the digital network, to master the competencies and operations required to act as bulk contractors on behalf of their small farmers members; whereas the market buyers expect as a primary condition to deal with the small farmers, to contract one entity representing them, and matching their specifications.

Bashaier Inclusive business: Managing the value chain linkages

To secure the sustainability of the value chain linkages, KEF manages the marketing network for both the sell side and the buy side.

The Sell side: Small farmers' communities as well as agribusiness SMEs are viable IF supported by a network securing their integration in their value chain with a sustainable inclusive business approach;

- Selecting the active farmers Coops/NGOs: to date: 50 associations are members of KEF **"Bashaier Network"**: representing nearly 45000 farmers;
- Training Coops/NGOs to manage selling and buying and to contract on behalf of farmers;
- Designing and managing contract farming and supply contracts & innovative finance schemes;
- Marketing plans for the farmers crops and promotion through the IT platform.

The Buy side:

- Targeting the organized market buyers: factories, retail chains, exporters, etc...;
- Mapping the market buyers and promoting direct linkages with small farmers associations;
- Identifying market-driven rural MSMEs opportunities;

The Agriculture Marketing Network enables the sustainability of the value chain linkages.

The agribusiness MSMEs "one shop stop" approach

Building and maintaining linkages between the small farmers' groups and their ecosystem within a single entry point have proven to be an efficient network, whereas the institutionalization of the PPP agreements will contribute greatly to its sustainability. To achieve this, a multi-layer approach was adopted:

- For knowledge dissemination of both extension services and market information, agreements and MOUs are implemented with state agencies.
- For the marketplace deployment, cooperation agreements with the market buyers' professional organizations have started and are developing.
- For leveraging the capacity building of the small farmers' associations, agreements with donors' programs engaged in such activities, have started and will need further development

Leveraging the digital network to enable the institutionalization of PPP programs

The supply of market and technical information plays a major role in improving the livelihoods of small farmers, as it enables them to take both cultivation and selling decisions in a better manner. The cooperation with the state agencies is related to this component of the network.

- To date, crops market prices information does not reach the small farmers, and the management of El Obour national wholesale market is appreciative of the service provided to them; the analysis made have proven that this service enabled small farmers to better negotiate selling conditions with the traders, as these remain the main supply chain operators.

- In the same manner, the MOU signed with the ARC, the Agriculture Research Center, enabled to provide for the first time directly to the small farmer, important technical information which didn't reach him, except through extension officers sparse visits.
- As such, within the digital network, the partnership public-private is very important, based on the principle that each party focuses on its own area of competence, for the ultimate benefit of the small farmer.

KEF Partners

