The Agroecology Accelerator & The Agroecology Revolving Loan Fund

Created by: SHONA
Unhealthy diets leading to rise of Non Communicable Diseases - Diabetes, Cardiovascular disease & stroke, Cancers

65% of agricultural land in Africa is degraded

Soil fertility is declining, water cycle breaking down

Biodiversity loss is at a record high

Food insecurity, unemployment, rural poverty persist

Climate related challenges affecting rainfall conditions
The future of soil and ecosystems is at crossroads.

There is overwhelming evidence that our current conventional farming systems based on monocultures and external inputs, are a root cause of these challenges.
No alternative: We need to transform our Food Systems.
Agroecology as a solution

AGROECOLOGY IS

- A holistic approach for improved food systems following 13 principles
- building on (bio)diversity and ecological cycles & processes
- creating & using synergies between animals, plants, microorganisms and soil
- maximizing fertility while minimizing ecological impact
- increasing food security and resilience
- centered on social equity and participation
- featuring holistic, context-specific, adaptable approaches
- transformative via evidence-based, scientific approaches
13 Principles of Agroecology

Reflect

Dignified work and more jobs
Carbon rich, fertile soils
Diverse, resilient economies
Cultural diets & biodiversity

Adapted by Biovision Foundation from the FAO Principles
African-led Agroecological Enterprises (AEEs) Serving Local Territorial Markets are Rising

“Agricultural growth in Africa is 2-3x times more effective in reducing poverty than growth in any other sector.”
Agroecology Enterprises create ...

- **Local Wealth** – income, jobs, financial returns, tax revenues
- **Well-being** – local cultural foods, biodiverse, fresh, safe and nutritious diets
- **Healthy Territorial Markets** – local resilient businesses
- **Cyclical Economies**, building resilience, soil fertility, biodiversity
Examples for Agroecological Enterprises (AEE)

**Guavay**

**Tanzania**

- 95% of Tanzania’s fertilizer imported & market waste is an unused resource
- Produces Hakika organic fertilizer from local resources
- Produces 500-800 metric tons of fertilizer locally
- Employs 22 staff (12 FT), reach 3300 farmers
- Yield improvements of 20%
- Enables organic avocado exports
  
  “Agroecology creates a cyclical low-input bioeconomy”

**Busaino Fruits & Herbs**

**Uganda**

- 38% of Uganda’s exports are food, the local diet is low in fruits and green leafy vegetables
- Aggregates, processes and markets branded BuFruits, Namazizi Organics
- Woman-led business trained 266,000 smallholders
- Weekly sales of 200 tonnes mixed fruits, herbal teas
- Employs over 1,250 women in processing and value-added activities, another 1,754 benefit as transporters
  
  “Agroecology’s biodiverse production increases economic resilience & nutritional value”
AEEs lack critical early-stage support to become profitable, investable businesses

Existing Business & Financial Support Services do not match AEEs needs:

- Investment size (missing middle)
- Collateral demands
- Interest rates
- Loan periods
- Single commodity logic & metrics
- No holistic business support
Low Revenues // Young Businesses // Micro SMEs
Investing in AEEs is the only way forward to address the ecological crises and the need to create local jobs and well-being in Africa.
Our Solution

The Agroecology Accelerator + Revolving Loan Fund

- Identify growth oriented AEEs
- Access to Networks
- Flexible capital
- Capacity building
- Growth of AEEs
<table>
<thead>
<tr>
<th>This model is unique</th>
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<tbody>
<tr>
<td>One of the first accelerators exclusively focused on Agroecology</td>
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<td>Combining Capacity building + Finance</td>
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<td>African-led with gender sensitive design</td>
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<td>Open-source knowledge sharing</td>
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<td>Connects and reinforces agroecology networks and policy agenda</td>
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<td>Based on solid research and evidence incl. a feasibility study</td>
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Identify growth-oriented AEEs

- An agroecological enterprise Past pilot stage with an existing customer base and sales
- A scalable enterprise with market and business model that goes beyond a single-farm
- A registered private enterprise in Kenya or Uganda
- At least one founding member is Kenyan or Ugandan
- At least one founder working full-time in the business
Organic farmer selling organic products

Country: Kenya
Focus: Production, sales, training
Yearly revenues: Around USD 50k (80-100 baskets/week)
Funding need: USD 50k

Main activities:
- Organic farming
- Training farmers, students and practical action research (2 farms as training centres)
- Sales of organic produce (aggregation from 50 farmers, logistics, bizdev)

Funding and business support needs
- Working capital for logistics + scaling (rent, salaries, field staff)
- Training of farmers for quality sourcing
- Equipment for logistics, storage (cooler) and value addition

Favourite non-financial impact:
→ Soil quality = better yields = more nutritious crops = making healthy, diversified food affordable for all, regardless of people's income.

The Accelerator & Loan Fund provides:
- Peer-to-peer and expert support
- Grant money for training purposes and certification
- Standard or revenue-based loan for operational and capital expenditures
- Continued support to Alumni for follow-up funding
Organic biopesticide business

| Country: | Uganda |
| Focus: | Biological pest management |
| Yearly revenues: | Around USD 1-2k (sells 1000-2000L) |
| Funding need: | USD 15k |

- Passionate about helping his community to grow the crops they want organically
- Very effective biopesticide that can be used on most fruits (and also vegetables).
- Side-business. He works as a science teacher in an international school in Kampala

Funding and business support needs:
- Customer segmentation and marketing and communication to farmers
- Developing the branding and packaging of his products
- Growing demand and organising a distribution network

Favourite non-financial impact:
→ Health of the farmers, consumers and the environment.

The Accelerator and Loan Fund can provide (if deemed eligible):
- Business validation and expert consulting services
- Working capital to set-up a distribution network and increase commercial outreach
- Connections with other Agroecology actors to promote this important bio pest management solution
Capacity building

- 1-on-1 mentorship
- Expert consulting
- Certification support
- Peer learning
- Visits to businesses
Flexible capital through a combination of instruments to support working capital and asset acquisition and create on-ramps for 50,000 - 150,000 USD follow-on investment.

**Loans**
- Between USD 10,000 - USD 50,000
- Interest rate - 15 - 18%
- Average Term - 24 months
- Businesses have opportunity to re-borrow multiple times until they raise follow-on investing
- Use of funds - Working capital & Asset acquisition

**Revenue share**
- Between USD 10,000 - USD 50,000
- 10% of annual revenue with a 2 - 2.5x multiple
- Businesses have opportunity to re-borrow multiple times until they raise follow-on investing
- Use of funds - Working capital and asset acquisition
Access to Networks

Networking events

Access to markets

Access to investors for follow-on investment
Our Plan

Building phase (2023 - 2025)

- Uganda and Kenya
- 60 AEEs supported
- 36 Investments in AEEs
- 30,000 smallholder farmers as indirect beneficiaries
- Focus: Building and validating the accelerator model
- Biovision and SHONA will be co-creating the accelerator as equal partners

Scaling phase (2025 - 2030)

- 5 countries
- 190 AEEs
- 114 Investments
- 95,000 smallholder farmers as indirect beneficiaries
- Focus: Scaling the model to more countries in East Africa
- SHONA will take full ownership of the implementation

IMPACT

- Improved biodiversity, soil fertility, farming systems
- Improved food and income security of AE farmers
- Sustainable economic growth
- Increased climate action to combat climate change
- Improved local wealth, jobs and well being
Our Timeline

OCT '22
Pre-Accelerator
- Market Study
- Agroecology Campaign
- Curriculum Development

JAN '23
Launch of The Agroecology Accelerator
Recruitment & Call for Applications

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MAR '23
Acceleration Program - Cohort 1
- Bootcamp
- Mentorship
- Investment

MAR '24
Acceleration Program - Cohort 2
- Bootcamp
- Mentorship
- Investment

MAR '25
Acceleration Program - Cohort 3
- Bootcamp
- Mentorship
- Investment

MAR '24
Post-Acceleration
- Dealbook
- Pitch events
- Peer-to-peer supports and meet-ups

MAR '25
Post-Acceleration
- Dealbook
- Pitch events
- Peer-to-peer supports and meet-ups

DEC '25
Phase 1: Project Evaluation

MAR '24
Post-Acceleration
- Dealbook
- Pitch events
- Peer-to-peer supports and meet-ups

MAR '25
Post-Acceleration
- Dealbook
- Pitch events
- Peer-to-peer supports and meet-ups

DEC '25
Phase 1: Project Evaluation
We need your support to build this!

Agroecology Accelerator

Total 3 year budget = USD 1,890,000

Committed = USD 275,000/year
Current gap = USD 355,000/year
We need your support to build this!

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<tr>
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<th>2023 loan fund</th>
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<tr>
<td>Grant funding</td>
<td>USD 108,000</td>
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<td>Recoverable grant</td>
<td>USD 252,000</td>
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<tr>
<td>TOTAL</td>
<td>USD 360,000</td>
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An Opportunity for Investors Seeking Green Investment Experience

- Provision of pipeline of investment ready AEEs
- Contribution to a business acceleration ecosystem that favours Agroecology
- Prioritizing holistic ecological outcomes and social or gender equity outcomes over purely finance outcomes and narrow ecological outcomes
- Possibility to track multiple returns
- Focus local crops and territorial markets which benefit women, instead of narrow focus on export crops
We have been helping entrepreneurs build successful businesses across multiple sectors in East Africa since 2013. We do this through:

- **SHONA Consulting** - Management Consulting & Financial Advisory
- **SHONA Programs** - Enterprise Development Programs incl. business training & accelerator programs
- **SHONA Capital** - SME Lending

We have so far worked with more than 250 SMEs in Uganda, Kenya, Tanzania and Rwanda.

Learn more about us here: [www.shona.co](http://www.shona.co)
An upcoming chain of dental clinics in Uganda, providing affordable and high-quality dental healthcare services for the lower middle class

| Loan Amount | $40,000 |
| Issue Date | February 2019 |
| Use of Funds | Acquire new equipment for sophisticated procedures, improved the aesthetics of the clinics and invested in customer acquisition. |
| Benefit | Before receiving this loan, they had received a $10k loan from our partner, Kiva, in January 2018 with our support. This enabled them setup a second clinic and gave them capacity to double patient numbers from 700 to 1,255, staff from 3 to 10 and revenue from $12k to $27k in 12 months. This prepared them for a bigger loan from SHONA Capital. They have seen significant growth after receiving the second loan and support, growing from 10 staff to 14 staff, and doubling their revenue from $27k in 2018 to $53k in 2021. |
Thank you

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