Fund for Innovation in Development

Funding evidence-based innovative solutions to rural development challenges

IFAD Innovation Day
FID: a social innovation fund to fight against poverty and inequality

**Open**
Across all sectors, all geographies, all types of innovators - and open all year

**Tiered**
Multiple stages of funding corresponding to innovations’ different stages of development

**Evidence-based**
Rigorous assessment approach with three core criteria: evidence of impact, cost-effectiveness, potential for scale

**Innovation at the service of the fight against poverty and inequality**

- Any solution (social, technological, financial etc.).
- Introducing an improvement over existing approaches (in terms of cost, speed of implementation, feasibility etc.).
- That can reach millions of people within ten years.
FID – STAGES OF FUNDING

Enable the development of new ideas
- Preparation grants (<€50k)
- Stage 1 (<€200k)

Evaluate their impact
- Stage 2 (<€1.5M)

Support sustainable pathways to scale
- Stage 3 (<€4M)

Generate knowledge and be a capacity building hub to transform public policy
- Transforming Public Policy grants (<€500k)
IT WORKS!

An accessible and attractive funding opportunity
2 200 innovative applications received, 27% of which in agriculture
Teams of all backgrounds, from all over the world

A demanding and responsive financing process
Criteria: potential of impact, cost-effectiveness & potential for scale
Mobilizing 100+ high-level thematic experts

A diversified and promising portfolio
50 projects funded during the first two years of activity for 25 M€
- 12 addressing rural development challenges: post-harvest losses, soil resilience, agricultural extension
- 80% located in Africa
- ½ are local organizations
- ½ involving government
- A performance measurement framework, with first results by the end 2023
What’s next?

- Apply
- Learn
- Spread the word
- Scale up
Thank you for listening!

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DEVELOPMENT AND UP-SCALING OF LOCALIZED SMALL-SCALE COTTON GINNING PROCESSES AMONG RURAL COTTON GROWERS IN KENYA

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Date: Wednesday, 28th June, 2023
Agriculture and Rural Development in Kenya

- Kenya is an agricultural economy
- 70% of population depending on agricultural activities
- The agricultural activities depends on rains yet 80% of the land is ASAL only conducive for crops such as cotton
- Out of 47 counties in Kenya, 27 counties have potential for cotton growing as show in figure 1
The Challenges of Cotton Industry in Kenya

- Cotton industry has been in decline since the 80’s mainly due to;
  - Lack of value addition (ginning) leading to low selling prices
  - Lack of ginning facilities (only 4 are operational ginneries in Country)
  - High transportation costs due to a far distances to the only available ginneries
  - Poor supply chain leads to exploitation of farmers by the middlemen
  - This has discouraged many farmers from growing cotton
  - High poverty levels in those rural areas
  - Overall cotton decline as illustrated in figure 2

![Total area of harvested cotton in Kenya](image)

**Figure 2: Cotton Decline Trends in Kenya**
Evidence Based Approach to the Problem

- Results of the baseline survey;
  - Few farmers were growing cotton
  - Market for the un-ginned cotton was lacking due to the absence of ginneries
  - Most textile and apparel companies in Kenya sources for lint cotton

- Development of the prototype portable microgin innovation;
  - Figure 3 shows the prototype microgin
  - Currently being funded by FID for experimentation, optimization and piloting in two (2) counties
  - The research team have adopted hybrid multidisciplinary approach
  - FID has played critical role in funding the innovation

Figure 3: Prototype Microgin
Project Piloting activities

The piloting stage of the innovation will involve several activities which will include:

- **Proof of concept.**
- **Pilot project.**
- **User testing of the ginning machines.**
- **Innovation optimization.**
- **Stakeholders involvement:**
  - Risk assessment and mitigation:
Project Output and Impact

- Development and fabrication of portable microgin with multiple power sources
- Creation of cotton value addition
- Better cotton selling prices
- Poverty reduction
- Formation of textile related cottage industries hence rural development
- Creation of employment opportunities for women and youths
- FID funds for commercialization and upscale of the innovation
New Pathways for Scaling

- FID fund has enabled experimentation, testing and optimization of the microgin
- Up-scaling of ginning to 27 counties
- Experimentation in spinning and weaving
THANKYOU
Hi, We’re Enviu.

A WORLD CHANGING STARTUP STUDIO.

We Believe That Disruptive Business Models Are The Key To Achieving An Economy That Serves People And Planet.
WE APPLY A PROVEN APPROACH TO CREATE SYSTEM CHANGE

SYSTEM FAILURE  NEW BUSINESS MODELS  IMPACT-DRIVEN COMPANIES  MARKET CHANGE  SUSTAINABLE SYSTEM
ENVIU CREATES SYSTEM CHANGE BY BUILDING INNOVATIVE AND IMPACTFUL SOLUTIONS IN FOUR DOMAINS IN FOUR COUNTRIES

ENVIU

Netherlands
- EST. 2004, HEAD-OFFICE

East Africa
- EST. 2018
- VENTURES: SokoFresh, Shambani Pro, Uptex, Peoples Pension Ghana, Taimba

India
- EST. 2012
- VENTURES: Lakshya, Discovered, Uptex, Three Wheels United

Southeast Asia
- EST. 2019
- VENTURES: Alner, Qyos, Alas, Econesia, Kecipir, Sustaination

Circular Apparel
- India/EA/NL

Zero Waste — Plastics
- SEA/NL

Circular Mobility
- NL

Sustainable Food Systems
- EA
BUILDING INNOVATIVE BUSINESS MODELS – CREATING LASTING IMPACT, SUSTAINABLY AND INDEPENDENTLY SCALABLE ONCE PROVEN

LEARN
ASSUMPTION

BUILD
EXPERIMENTS

LEAN
CORE PRINCIPLES

MEASURE
METRICS

Issue Analysis
Design / Ideation
Validation
Build
Scale
The learning agenda of this project centers around showing the impact (improving livelihoods, reducing poverty, reducing food loss and waste, reducing GHG emissions and gender inclusiveness) of operationalizing value addition at farm-gate and involving farmers in pre-processing.
Our critical assumptions are centered around creating impact

- Farmer behaviour and motivation
- Impact on women and youth
- Post-harvest loss, GHG emissions and resources saved
- Income increase and improved livelihoods
1. **Innovative solution on two levels**: on the business model level of Shambani Pro, but also the approach to research and creating lasting impact through building ventures

2. **Evidence and measuring** lie at the heart of building and scaling a social enterprise, in order to **create lasting impact**

3. **Bridging research and private sector** - outcome of the research agenda is connected to **action**
"To change something, build a new model that makes the existing model obsolete."

Buckminster Fuller

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