The Satellite Agribusiness Innovation Center in Saint Louis, Senegal
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Prepared by infoDev

Contributing Authors: Julia Brethenoux, Simon Dioh, Nicola Drago, Steven Giddings, Ellen Olafsen, and Jim Thaller
About infoDev

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For more information visit www.infodev.org or send an email to infodev@worldbank.org.
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1. Background

The establishment of an Agribusiness Innovation Center (AIC) in the “Dakar-Pout-Thiès” corridor takes advantage of already existing agriculture and agro-processing sectors in the region and the proximity of Dakar as a geographically concentrated and large market - and uses this to both identify and support a pipeline of growth enterprises that can be accelerated.

For these reasons, the corridor is seen as the most feasible location to house an initial AIC. However, it is well recognized that there are other hubs of agribusiness activity in Senegal, most notably, the Saint Louis and Casamance regions.

Although these areas have tremendous agricultural production potential; markets are less concentrated or at distance; growth focused entrepreneurs are not in abundance, and there is very limited value addition activities undertaken. This scenario offers future potential but needs to be catalyzed if it is to develop at the pace it can.

The catalysis needs to take place in many areas, but assuming that the factors of production are present and are enabled by a conducive policy environment; and that there are markets for processed raw materials; then it is entrepreneurs who are needed to turn factors of production into marketable products that can sustain growth enterprise.
The AIC initiative seeks to identify growth entrepreneurs and these are defined as entrepreneurs that can create a significant number of job opportunities while expanding markets through regional, national and export sales. Their impact is therefore much deeper than survivalist entrepreneurs who are in business to support their immediate family livelihood. Once identified, the AIC supports them to make best use of resources and market opportunities.

In a phased approach, starting with the Saint Louis region, the AIC will introduce pre-incubation support that can, depending on the initial outcomes, develop into a future AIC hub being developed in each of the regions.
2. Current status of agribusiness initiatives in the Saint Louis region

On 29 March 2007 the Assembly of the University of Gaston Berge in Saint Louis, granted twenty hectares of the University for the location of enterprises operating in service provision, manufacturing, R&D, consulting, studies, and training. “The Initiative and Economic Innovation Area (D2IE)” would aim to host enterprises created by UGB students or external entrepreneurs. It was envisaged that selection would be based on a motivated request from the entrepreneur and subsequent review by a dedicated committee who would provide a recommendation to the president of the university who would then decide on acceptability.

Since 2010, the UGB has offered a dedicated curriculum in agricultural sciences, aquaculture and food technology.

To date, facilities have just started to be developed in the D2IE area and it is not clear how many entrepreneurs have been supported to create growth enterprises.

Furthermore, there are no known initiatives to holistically support post-harvest growth entrepreneurs in the region. PADEN, a notable initiative with some financial and non-financial support mechanisms, is most closely aligned to the AIC concept. As such the AIC offers a unique opportunity for supporting value addition in the post-harvest sector.
3. The Saint Louis Satellite AIC (sAIC)

3.1. Location

The sAIC will support the existing D2IE initiative. Initially it will be established as a virtual center with access to facilities at the University of Gaston Berge in St Louis. These facilities will be used primarily for meetings and training.

3.2. Activities

The activities of the sAIC will include:

1. Establishment and awareness creation
2. Introductory entrepreneurship workshops
3. Pre-incubation enterprise development programme
4. Assessment of regional business opportunities in the region and market opportunity matching with local enterprises
5. Initiation of incubation for selected enterprises.

3.2.1 Establishment and awareness creation

Prior to the initiation of activities, the sAIC must establish its own operating protocols and this will include establishing its base; meeting with key stakeholders in the region to ensure strong local collaboration and support; creating a regional advisory board made up of a small group of key stakeholders; and arranging the use of facilities etc. Furthermore, it must begin to understand the business environment and to identify who is doing what; entrepreneur numbers; and entrepreneur ability and locations etc.

After this, a period of time is needed to begin advertising the forthcoming entrepreneur workshops and to encourage local participation in the programme.
3.2.2. Introductory Entrepreneurship Workshops

Not every person who dreams of being a doctor will have the skills and aptitude to become one and the same is true for growth entrepreneurs. They need to be identified and then supported.

Secondly, international experience shows that just having a great business idea is not sufficient to predict the success of the business, just as owning a private jet does not ensure automatic success as a pilot.

As a result, it is first necessary to identify who has the potential to be developed into a growth entrepreneur and then to assess their business opportunity.

The costs and time involved in identifying growth entrepreneurs can be extensive and therefore a “funnel” approach is adopted. This approach allows a large number of potential entrepreneurs to enter the selection process and then, through a series of tasks and tests, those with potential can be identified.

The first step in the process involves a group workshop and follow-up activities performed by the entrepreneurs. Entry to the group workshop is free, but each participant must complete a one page form outlining their business opportunity to gain entry.

The group session will be held once a month and includes:

- An introduction to the AIC and its support mechanisms for entrepreneurs;
- an assessment of entrepreneurship ability that allows the entrepreneurs to assess their own aptitude for entrepreneurship. The results are collected and stored on their files to assist in assessing potential after the workshop; and
- a tutorial on a simple market research exercise that each entrepreneur has to carry out after leaving the workshop. The aim here is to expose the entrepreneur to the reality of business – having to approach strangers; having to describe the unique aspects of their product and/or service offering(s); having to understand that there will be competition and finding out what they will have to do to do. It also tests their commitment to engaging in a long process of business development.

The purpose of this workshop is to both educate and test the prospective entrepreneurs. Those who do not complete the market research exercise, do not proceed to the next stage. Those that do, and scored low on entrepreneurial ability are counselled about their future potential, and those that do and scored highly on the entrepreneur test, proceed to the next stage.
3.2.3. Pre-incubation Enterprise Development Programme (PIP)

This support stage will focus primarily on:

- Preliminary business planning for entrepreneurs with good entrepreneurial talent and new ideas; and
- Strengthening of business understanding and business plans for entrepreneurs with good entrepreneurial talent and in businesses with growth potential.

Pre-incubation targets students (postgraduate and undergraduate) from universities, inventors, private individuals and people working in government or corporate institutions.

The sAIC will seek opportunities to promote and sponsor business plan competitions with support from the private sector.

The PIP is a formal programme of support which runs for a 3-6 month period and will support a group of 20 entrepreneurs that were selected from the first workshop stage.

It includes:

- A more in depth assessment of each entrepreneur's business idea
- Creation of “buddy” partnerships between entrepreneurs for local support
- Personal goal establishment for each entrepreneur
- Courses in business principles (e.g. marketing; strategy; finance etc)
- Course in business plan development
- Group sharing sessions
- Lectures by successful business persons
- Pitching of business ideas to an investor panel

The aim of this training and experience building period is to graduate entrepreneurs who have a business plan; an understanding of the potential for their business; a better understanding of business principles; and exposure to the harsh reality of raising finance and getting their businesses growing.

Successful graduates will be considered for incubation under the AIC incubation programme. This will be run from the sAIC with support from the main hub.
3.2.4. Assessment of regional business opportunities

This component is mainly focused on an independent analysis of the current environment and the potential for the St Louis region to develop into a hub of agribusiness. The approach here is to continually assess what is happening in the region and to strengthen linkages with local stakeholders. This, when combined with insights and co-ordination from the main AIC hub, will allow for the planning and development of future initiatives which may include the positioning of a fully fledged AIC hub in the region.

A smaller, yet critical component, is the provision of market information to enterprises in order to allow them to identify new opportunities. Where possible, the sAIC should assist in matchmaking activities.

This will also allow the sAIC to more realistically understand how entrepreneurs in the region may need to be supported and allows a fine tuning of both enterprise assessment and enterprise support programmes.

3.2.5. Incubation

The sAIC will be able to assist selected enterprises from the second year in a formal incubation programme. These can be selected from those in the PIP or from established companies. Most services will be outreach based, managed locally, and supported by staff from the AIC. The sAIC will try to identify 1-2 enterprises to incubate from Year 1, but this is totally dependent on their availability.
3.3. Phasing and Timelines

The planning for the sAIC is presented for a two year period because it is assumed that within this period, the sAIC will have had sufficient time to assess its role and to source additional financing for growth into a full AIC hub or to justify its worth and continue on the satellite basis under which it was initiated.

Table 1 sAIC Phasing and Timelines

<table>
<thead>
<tr>
<th>YEAR</th>
<th>MONTH</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<tr>
<td>21</td>
<td>22</td>
<td>23</td>
<td>24</td>
</tr>
</tbody>
</table>

1. Establishment and awareness creation
2. Introduction Workshops
3. Pre-incubation Programme
4. Graduation of incubation candidates
5. Regional opportunity Assessment
6. Evaluation of sAIC
7. Fundraising for next phase

Note: Pre-Incubation Programme and Graduation may run over 6 months depending on numbers and client ability

3.4. Staffing

The sAIC, as a satellite of the AIC, will primarily be a virtual center with only one permanent staff member on site in the initial two years.
The main functions of the staff member will be to:

<table>
<thead>
<tr>
<th>STAFF MEMBER</th>
<th>FUNCTIONS</th>
</tr>
</thead>
</table>
| sAIC Co-ordinator | 1. Establish the sAIC  
2. Interact with key stakeholders (most importantly Gaston Berge University)  
3. Assess opportunities for post-harvest processing and co-ordinate with stakeholders  
4. Identify a pipeline of growth oriented entrepreneurs  
5. Assist with general business and technical support including business plan assessments and Introduction Workshops  
6. Support incubated businesses  
7. Support Business Advisor in Pre-Incubation Programme |

Staff from the AIC will visit the region on a regular basis to support the staff member in performing the following activities:

<table>
<thead>
<tr>
<th>STAFF MEMBER</th>
<th>FUNCTIONS</th>
<th>AVERAGE FREQUENCY</th>
</tr>
</thead>
</table>
| CEO (3 days/month)                        | 1. Interact with key stakeholders;  
2. Monitor and evaluate progress.                                                                                             | Bi-Monthly                        |
|                                           | Bi-Monthly  
Quarterly                                                                                                               |                                   |
| Process Expert (3 days/month)             | 1. Assess business plans  
2. Support incubated businesses                                                                                             | Monthly as needed  
2 days per month on site  
and 1 day off-site |
| Packaging Expert (3 days/month)           | 1. Assess business plans  
2. Support incubated businesses                                                                                             | Monthly as needed  
2 days per month on site  
and 1 day off-site |
| Market Development Manager (4 days/month)| 8. 1. Support Business Advisor in Pre-Incubation Programme  
9. 2. Support incubated businesses                                                                                         | 1 day per month on site  
1 day per month on site  
and 2 days off-site |
| Market Intelligence Manager (1 day/month)| 1. Assess business plans  
2. Support incubated businesses                                                                                           | Monthly as needed  
Monthly as needed |
| Financial Manager (3 days/month)          | 1. Support Business Advisor in Pre-Incubation Programme                                                                    | 1 day per month on site  
and 2 days off-site               |
| Business Advisor (4.5 days/month)         | 1. Run Introduction workshop  
2. Pre-Incubation Programme  
3. Support incubated businesses                                                                                          | 1 day per two months on site  
1 day per fortnight on site  
1 day per month on site  
and 1 day off-site |
3.5. Financials

The budget allocation required for the sAIC assumes the following:

1. Local facilities will be made available at the University of Gaston Berge for workshops, meetings and client interactions at no cost outside of catering and materials.
2. Client interactions will take place mainly in St Louis or within 20km of the city center.

<table>
<thead>
<tr>
<th>Budget Item</th>
<th>Monthly cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>sAIC Co-ordinator</td>
<td>3000</td>
</tr>
<tr>
<td>Staff travel</td>
<td>2000</td>
</tr>
<tr>
<td>Staff accommodation</td>
<td>350</td>
</tr>
<tr>
<td>Staff per diem</td>
<td>160</td>
</tr>
<tr>
<td>Communication</td>
<td>300</td>
</tr>
<tr>
<td>Materials (e.g. printing)</td>
<td>300</td>
</tr>
<tr>
<td>Refreshments</td>
<td>500</td>
</tr>
<tr>
<td>Marketing</td>
<td>300</td>
</tr>
<tr>
<td>Total budget per month</td>
<td>6910</td>
</tr>
</tbody>
</table>

The sAIC will require an amount of US$ 82,920 per annum for staff and running costs and US$ 165 840 for operation over two years. While it is intended to charge a nominal fee for the Pre-Incubation Programme of US$30 per month, this revenue is not accounted for and will be used to offset contingency items.

The time allocation from other staff contributing to the sAIC is monetized as US$3596/month in Year 1 and is covered by the financial allocation to the AIC.
3.6. Monitoring and Evaluation

The targets and evaluation criteria are listed below:

<table>
<thead>
<tr>
<th>Target</th>
<th>Measurable deliverable</th>
<th>Measurement Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 entrepreneur workshops in Year 1 and 4 in Year 2. Each attended by at least 40 prospective entrepreneurs</td>
<td>Workshops held 120 participants in Year 1 and 160 participants in Year 2</td>
<td>Annual</td>
</tr>
<tr>
<td>Selection of at least 10 Pre-Incubation Programme participants for 3 x 3 month PIP courses in Year 1 and 4 PIP courses in Year 2</td>
<td>Number of PIP courses per annum Number of participants per PIP course</td>
<td>Annual</td>
</tr>
<tr>
<td>20 PIP graduates in Year 1 and 30 PIP graduates in Year 2</td>
<td>Number of graduates completing PIPs per annum</td>
<td>Annual</td>
</tr>
<tr>
<td>Assessment of at least 20 (8 in Year 1 and 12 in Year 2) business opportunities presented by PIP graduates</td>
<td>Assessment reports</td>
<td>Annual</td>
</tr>
<tr>
<td>1-2 incubated companies in first year and 3-5 incubated companies in the second year</td>
<td>Number of companies incubated</td>
<td>Annual</td>
</tr>
<tr>
<td>Assessment of progress made in operations, stakeholder interactions, marketing and fund raising</td>
<td>Monthly progress reports</td>
<td>Monthly</td>
</tr>
<tr>
<td>Plan of action for Year 2.</td>
<td>Year 2 detailed plan</td>
<td>After 10 months of Year 1</td>
</tr>
<tr>
<td>Report outlining progress achieved during first two years of operation and future positioning of sAIC for period after Year 2</td>
<td>Board approved report</td>
<td>After 20 months of operation</td>
</tr>
<tr>
<td>Quality of training and services provided</td>
<td>Satisfaction survey scores above 80%</td>
<td>Annual</td>
</tr>
</tbody>
</table>

4. Concluding comments

The establishment of the AIC hub in the Dakar-Thiès-Pout corridor requires a dedicated effort to initiate what is considered to be a novel agribusiness development concept in Senegal.

However, in order to support greater outreach, the satellite AIC in the Saint Louis region (sAIC) will be developed over two years to better understand the potential of the Saint Louis region for agribusiness development and to identify
and assess the number of entrepreneurs; their locations; ability and interest in the support function of the sAIC, with a view to evaluating the establishment of a fully fledged AIC in the region. To this end, the process includes stakeholder interactions, entrepreneur development and business, technological and macro-environmental assessments and reporting.

To reduce costs, while maintaining focus on the primary AIC hub development process, staffing and activities in the sAIC will be managed from the hub with the support of the University of Gaston Berge who will make available a series of meeting facilities on a mutually agreed basis. The effectiveness of this approach will be monitored monthly and then evaluated on an annual basis.

The sAIC piloting process will include a final evaluation of the processes for establishing and running a sAIC with the view to rolling out the support and assessment methodology in other regions of Senegal, notably Casamance.