

Spotlighting agroecological enterprises

Frequently, enterprises operating in line with the 13 principles of agroecology lack early-stage support and face misconceptions about their scalability. The Business Agroecology Criteria Tool (B-ACT) of the Swiss foundation Biovision aims to guide and increase investments by analysing and highlighting the benefits and potential of agroecological enterprises.

By Stefanie Pondini

The global food security crisis, intensified by climate change, the Covid-19 pandemic and recent conflicts, has underscored the urgent need to transform food systems in order to achieve Sustainable Development Goal 2 (Zero Hunger) and advance the broader SDG agenda. Biovision firmly believes that agroecology is the most effective approach for transforming food systems towards greater sustainability, given its ability to address two critical challenges in agriculture: nourishing a growing population while preserving natural resources. By integrating ecological, econom-

ic and social principles, agroecology promotes sustainability, resilience and equity in food and agricultural systems, boosts the role of farmers and strengthens local value chains.

Biovision views agroecology as a crucial strategy for realising its vision of providing sufficient and healthy food for all, produced and consumed in an environmentally and socially responsible manner. Agroecology not only aligns with but also supports the achievement of various global frameworks and initiatives, including the Sustainable Development Goals

(SDGs), the Paris Climate Agreement, and biodiversity targets. The momentum behind agroecology is growing both globally and nationally, as evidenced by the emergence of a strong international Agroecology Coalition. The Coalition was set up to provide a mechanism for countries and organisations to collaborate on food systems transformation to address the multiple crises simultaneously. As of June 2024, the Coalition comprises approximately 300 members, including 48 governments, three intergovernmental regional commissions, two sub-national administrations and nearly 250 organisations, along with several small and medium-sized enterprises (SMEs).



Agape Innovations Limited is an agroecological enterprise based in Uganda which provides products like organic fertilisers.

Photo: Biovision

Agroecological enterprises as key players in the transformation

The vital role of the private sector in transforming our food systems has long been acknowledged. However, the focus has predominantly been on multinational corporations, while the contributions and influence of millions of small and medium-sized enterprises world-wide have been largely overlooked. Enterprises that adhere to the 13 principles of agroecology are not only profitable but also play a crucial role in transforming our food systems. They generate much-needed sustainable jobs in the vital agricultural sector, ensure food security and foster resilient, robust economic ecosystems. Additionally, they positively impact both the environment and the communities in their regions.

Agroecological enterprises are poised to capitalise on promising market opportunities and growth because they are better equipped to address and withstand the new challenges posed by climate change, limited natural resources and unpredictable global politics – all of which impact global trade and pricing. More importantly, they provide superior solutions for consumers who are increasingly conscious of health and food safety. However, these enterprises lack critical early-stage support. They are usually perceived as too complex, too risky, too slow growing and not suited for large scale

application – these are common misconceptions about agroecology, as evidence increasingly shows.

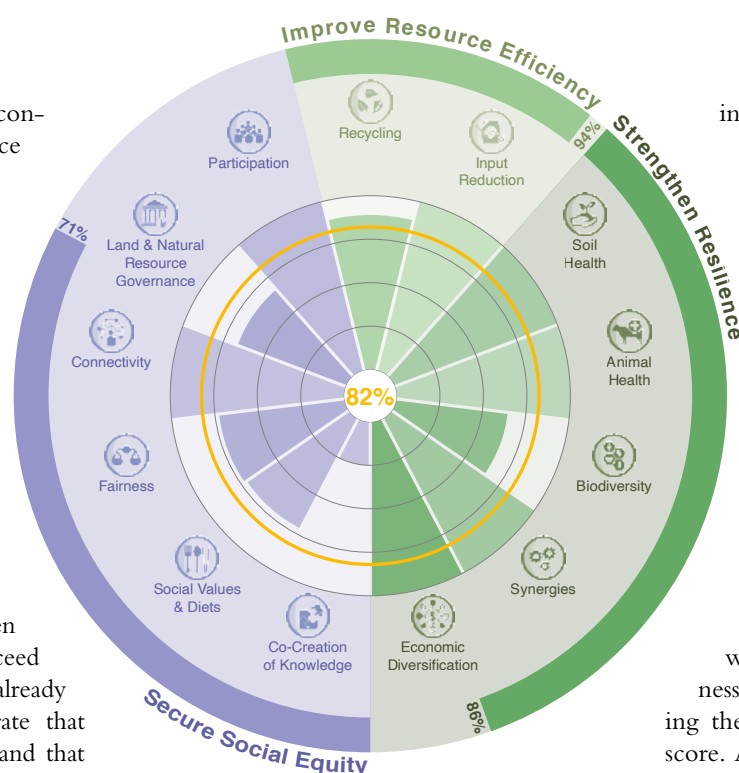
Investing in the agroecological business case

Investments in agroecological enterprises thus not just foster resilient, equitable and healthy food systems but ultimately also benefit investors and communities alike. Many donors and investors are unaware of the vast potential of agroecological enterprises. Some may even believe that agroecology cannot succeed on a large scale. However there are already successful businesses which demonstrate that agroecological enterprises are scalable and that investments in this sector are financially viable in the long term.

Biovision, in collaboration with its partner organisations, is working to increase the availability of suitable capital and create an enabling environment for such enterprises in sub-Saharan Africa. We provide concrete examples and comprehensive evidence to demonstrate to financiers that investing in agroecological enterprises is worthwhile. Additionally, we support these enterprises by facilitating access to knowledge, capital and relevant networks. To inform donors and investors about the multiple benefits of agroecological enterprises, Biovision launched the Agroecology Investment Guide in February 2024. This guide presents key evidence on the social and environmental impact of agroecological enterprises and showcases innovative funding models to support the holistic approaches of these businesses, with the ultimate goal of shifting towards healthy, just and resilient food systems.

The Business Agroecology Criteria Tool (B-ACT)

The Agroecology Investment Guide features the “Business Agroecology Criteria Tool” (B-ACT) developed by Biovision. This tool aims to educate and raise awareness among donors and investors about the nature and benefits of agroecological enterprises. It also provides entrepreneurs with insights into how agroecological their business is and identifies areas for potential improvement. The B-ACT assesses the extent to which an enterprise’s operations align with each of the 13 principles of agroecology. It also contains screening ques-



Results visualisation of the Business Agroecology Criteria Tool

Source: Biovision

tions to rapidly determine whether an enterprise’s business model, operations or strategy are potentially in conflict with agroecology. Thus the B-ACT assists investors and donors when it comes to identifying investment and funding opportunities. It helps with asking the right questions when assessing the social and environmental dimensions of a business and, hence, also its long-term resilience and viability. The tool thereby complements standard analysis of financial returns.

The B-ACT assessment provides several key insights, including:

- an agroecology score that evaluates alignment with the 13 agroecological principles;
- an overview of the Sustainable Development Goals (SDGs) the enterprise contributes to and the extent of its impact;
- recommendations for improving the agroecological principles where the enterprise scores the lowest.

Application and learnings from the B-ACT

Since its launch in July 2023, the B-ACT has seen widespread adoption. The Alliance Bioversity & CIAT employs the B-ACT as part of CGIAR’s Agroecology Initiative across seven countries. The International Fund for Agricultural Development (IFAD) utilises the tool in two of its programmes, and the B-ACT is used

in the selection process for enterprises entering the Neycha Accelerator and Fund. The Neycha Accelerator and Fund is the first vehicle to blend capacity building and access to loans for agroecological enterprises that are committed to operating in line with the 13 principles of agroecology (also see pages 24–25).

The B-ACT is useful for assessing an enterprise’s alignment with agroecology but also for helping an enterprise make practical optimisations to its business model and operations towards a greater alignment with agroecology. The tool allows businesses to focus on specific principles, helping them enhance their overall agroecology score. Additionally, it provides clear guidance on the practical changes needed to improve alignment with each individual principle. Users have particularly appreciated the tool’s visualisations, which effectively highlight areas for potential improvement.

To conduct a B-ACT assessment accurately and fairly, it is crucial to take the local context into account. The answers to certain questions will depend on the specific conditions in which a business operates – such as resource limitations, local infrastructure and public services. Understanding these conditions helps determine the most appropriate responses. This is especially true for questions concerning an enterprise’s indirect impact on other supply chain actors. When multiple individuals are involved in conducting B-ACT assessments, it is crucial to align their assumptions and understanding of the local context to ensure consistent and accurate responses.

With tools like the B-ACT and the Agroecology Investment Guide, Biovision aims to catalyse the scaling of enterprises operating in line with agroecological principles as vital drivers of food system transformation.

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