

---

## New submission from 2020 Shared Value Awards application - Shared Value Collaboration of the Year

---

Fri, Sep 25, 2020 at 1:45 PM

### Primary contact

---

**Contact name**

Meg Kauthen

**Email**[meg.kauthen@businessfordevelopment.org](mailto:meg.kauthen@businessfordevelopment.org)**Phone**

0422222182

**Address**

[262 Lorimer Street](#)  
[Port Melbourne, Victoria 3027](#)  
Australia  
[Map It](#)

**Where did you hear about the Shared Value Awards?**

SVP Email

**About your organisation**

---

**Organisation name**

Business for Development

**Organisation type**

Not-for-Profit

**Website**<https://www.businessfordevelopment.org/>**Overview**

Business for Development (B4D) works with communities to develop sustainable agribusiness enterprises with scalable positive impact on livelihoods. The B4D approach creates an ecosystem of visionary and influential leaders working together to meet their own market requirements while benefiting communities.

The Kwale Agribusiness Program (KAP) exemplifies the shared value approach. The collaboration between B4D, Cotton On Group, and Base Titanium Limited has laid the foundation for revitalising the Kenyan cotton, stockfeed and poultry sector. This integrated value chain enables Kenyan farmers to achieve higher income, improve their family's livelihood and to live a life with dignity.

**What is your shared value partnership or collaboration?**

---

**Name of project/initiative**

Kwale Agribusiness Program

**List the organisations involved in this partnership/collaboration**

Core partners: Business for Development (B4D); Base Titanium Limited (BTL); Cotton On Group (COG). Collaborating partners: Smallholder Farmer Cooperatives; Ministry of Agriculture, Fisheries and Livestock (MoAFL); Kwale County Government (See supporting document outlining the partner ecosystem)

**What makes your project or initiative a leading example of a shared value collaboration?**

---

## **What economic opportunity does your shared value project/initiative deliver?**

This initiative has delivered positive benefits and created a competitive advantage for each partner, including smallholder farmers, B4D, COG and BTL.

### **Business for Development (B4D)**

The purpose of B4D is to activate markets to solve rural poverty. KAP demonstrates that cross-sector partnerships can deliver greater value and competitive advantages in line with each partners' priorities.

Strategically, by providing a proof of concept that can be replicated and scaled, B4D has been able to connect with more mining and agriculture organisations around the world who have a desire to meet their respective sustainability priorities.

### **Kenyan smallholder farmers (SHFs)**

KAP engages with SHFs – including women, youth and people with disabilities – to build capacity to cultivate high-quality cotton. KAP implements an integrated value chain incorporating cotton, stockfeed and poultry, to reduce waste and input costs, and drive increased efficiencies and profits for the SHFs. SHFs derive increased and diversified income, enjoy increased food security and nutrition.

### **Cotton On Group (COG)**

COG currently requires 6,000 tonnes of cotton lint per annum – equivalent to Kenya's national output. Over the next 3-5 years, KAP will expand across Kenya and provide COG with unique access to cotton cultivated in accordance with their quality, quantity and social responsibility standards. The cotton will be supplied at a competitive market price through efficiencies gained in the value chain. COG will have a premium product and a distinctive story to engage target audience interested in sustainability, social responsibility and climate change.

### **Base Titanium Limited (BTL)**

Positive relationships with local communities are vital for mining operations. KAP strengthens the social license for BTL during mining operations and through a positive legacy beyond mine closure, providing BTL a competitive advantage when applying for mining licenses in new communities and countries.

## **What social issue(s) does your shared value project/initiative address?**

When B4D initiated the KAP in 2013, there were few examples of businesses engaged in sustainable development. Demonstration programs were required to exemplify what shared value represented for business and the community.

Fortunately, B4D worked with visionary leaders at BTL who had a genuine desire to make a sustainable difference in Kwale. Simultaneously, COG recognised that they needed to drill down their value chain to cotton farmers to achieve sustainability.

In Kwale, SHFs' constraints are multiple, complex, and inter-connected. B4D works with subsistence farmers. About 50% of their outputs are consumed by the household, with little opportunity to derive an income to pay for education or healthcare. About 36.5% of the Kenya population suffer food insecurity, and 35% of children are chronically malnourished.

This program provides SHFs with access to credit, seeds and training. And through the integration of cotton, stock feed and poultry a sustainable and profitable model has been established. B4D ensured that marginalised SHFs, including women, youth and people with disability, were included in program activities and are now generating sustainable incomes through poultry business – with additional benefits of improved food security and nutrition.

This program will continue to prosper when both B4D and BTL eventually leave the community because it has been designed to last. KAP today works with a myriad of stakeholders who form the ecosystem, with each having a stake in perpetuating the program because it provides employment, generates cash flow, lifts the communities' livelihoods, and is a means by which buyers, such as COG, can secure their supply chain and differentiate their products in the marketplace.

NGOs, business, government nor communities cannot address poverty alone. Through B4D facilitating these types of partnerships around the world, we can truly achieve our purpose and activate markets to solve rural poverty.

## **Shared value solution description**

KAP comprises two vital components to develop sustainable high-quality cotton, stockfeed and poultry production.

### **Capacity-building SHFs**

KAP builds SHF's individual and collective capacity to improve crop quality and yields.

Individual SHFs – including women, youth and people with disabilities – access training, credit and improved farm inputs to develop sustainable agribusinesses, generate income, improve food security and nutrition.

Collective capacity of SHFs through a farmers co-operative provides a mechanism for ongoing service provision for SHFs, and to represent SHFs collective interests in engaging with government, suppliers, buyers and other stakeholders.

### Integrated value chain

KAP identification and testing of an integrated and collaborative value chain enables SHFs to extract greater benefits through cotton, stockfeed and poultry.

The integrated value chain is based on the symbiotic relationship between cotton, stockfeed and poultry through the common denominator of cotton seed. Integrated agriculture and processing, combining cotton cropping, stockfeed manufacture and small-scale community-based poultry, enables accelerated community engagement and economic activity. The integrated value chain reduces waste and input costs for SHFs and increases their income. Through the integrated value chain, SHFs retain the cotton seed following extraction of cotton lint from the seed. SHFs can then extract cotton oil for consumption and/or sale, and utilise the seedcake to produce high quality stockfeed for their own livestock or sell at premium prices.

SHFs engagement in the cotton seed value extraction process delivers:

- Improved quality inputs for poultry at reduced costs
- Additional income through stockfeed sales
- Increased income through sale of heavier, healthier birds and eggs

The retention of greater returns for SHFs through the integrated value chain incentivises increased production of high quality cotton lint. This generates a sustainable supply of high-quality cotton lint for global buyers, that meets the recognised standards for ethical single source cotton.

(See infographic of KAP Value Chain)

### Market segment and potential for scaling the solution

This initiative will deliver ongoing benefits to Kenyan SHFs through sustainable and diversified income, and for COG (and other global cotton buyers) through establishment of sustainable supply of premium quality ethically produced cotton.

SHFs are engaged in the initiative through:

- Consultation with men, women, youth and people with disabilities.
- Technical training on improved agronomic techniques.
- Participation and representation in co-operatives to facilitate shared learning.
- Digital inclusion to improve yields and deliver immediate access to technical services and advice, to monitor crops, identify crop hazards and access inputs to prevent crop damage and loss.

Through co-operatives, SHFs benefit through:

- Access to credit and financial management training.
- Access to tailored crop storage and transport facilities.
- Improved access to quality agriculture inputs.
- Access to knowledge of buyers' requirements.
- Training and support to meet buyers' quality and quantity standards.
- Fair contractual arrangements with buyers to assure guaranteed purchase of agriculture outputs.

In partnership with the Kenyan Ministry of Agriculture, Fisheries and Livestock (MoAFL) KAP will be replicated and scaled across Kenya, with potential to be a game changer for SHFs across the country. Improved farming practices and more vertical ownership of the value chain will lead to stronger economic outcomes for Kenyan SHFs and their communities. Between cotton and poultry, the expected reach will be 15,000 and 10,000 farmers respectively.

As KAP expands, COG will purchase all single-source, sustainable cotton lint produced in accordance with the agreed quality, quantity and social responsibility standards. Providing their customers with high-quality, traceable, sustainable, clothing products. COG is committed to only using ethical single source cotton by 2025. KAP is critical for COG to achieve this goal.

KAP demonstrates how effective management of an integrated value chain can deliver tangible positive shared value for all partners.

### Key activities and resources including a basic development plan

#### Completed Activities

KAP identified model farmers, conducted crop trials and established plots to demonstrate improved crop quality and yields attainable through improved agronomic practices.

KAP addressed challenges with land, soil and crop quality through training in improved soil, land and water management techniques. KAP facilitated SHFs access to reliable seeds and equipment, and training in crop rotation and cycling to maximise benefits of seasonal rains, reduce crop failure and deliver higher yields. KAP facilitated access to packaging and transport to reduce crop spoilage and waste.

Women, youth and people with disabilities were trained in improved poultry raising and quality stockfeed production. Procurement of quality poultry breeds suited to the environment and access to veterinary supplies enabled marginalised groups to generate income through the sale of birds and eggs.

The cooperative was established to represent SHFs collective interests with suppliers, credit facilities and buyers. By

linking directly with COG, SHFs learnt of COG's required quality, quantity and social responsibility standards for cotton lint and established mechanisms to meet required standards.

A digital platform delivered SHFs' direct access to technical advice, enabling SHFs to effectively monitor crop quality, identify and respond to risks to crops and implement remedial action to prevent crop damage.

#### Planned Activities

KAP will continue to support Kwale SHFs to expand cotton cultivation and downstream processing of cotton by-products, generating additional and diversified income streams for SHFs.

KAP will expand to other regions of Kenya, in partnership with Kenyan national and provincial governments and utilising the digital platform for remote training and technical support, to improve crop monitoring and streamline SHFs harvesting and payments.

The digital platform provides SHFs with a powerful tool to achieve superior crop yields and quality, and the data proof points of compliance with quality, quantity and social responsibility standards and traceability of agriculture produce.

### Measurability

B4D monitors project progress and achievement of outcomes through a Results Framework, with specific indicators to measure and monitor change in SHF's socioeconomic conditions and ongoing viability of the integrated supply chain.

Methods to measure program implementation and achievement of outcomes

Annual plans are developed for each project component. A tracking tool is used to monitor application of improved farming practices, co-operative governance and accountability, and co-operatives' capacity to manage support services for SHFs.

Socioeconomic surveys are conducted regularly to measure changes in SHFs' income, household labour utilisation, access to education, standard of housing and water sources.

The digital platform delivers data to monitor SHF's crop yields and sales by volume and value. The platform enables SHFs to independently monitor crop cultivation and immediately access expert advice on crop risks such as weather, pests and diseases. The digital platform also enables verification of agriculture product traceability, providing proof of origin of produce to achieve premium prices.

Clear indicators are used to monitor achievements in outcome areas:

An indicator of SHF's access to food security and nutrition is:

- Average % of household consumption requirements met from SHFs' production

Indicators of economic stability of SHFs include:

- Changes in SHF incomes
- Diversified income – as measured through the proportion of total income derived through focus crop, other crops, livestock and other agribusiness activities
- Timing of cash inflows and outflows throughout the year

Indicators of improved framework conditions for the Kenyan cotton industry

- Co-operative membership numbers
- Volume of cotton exported
- Progress of cotton ginnery construction and processing

Indicators of the viability of the supply chain include:

- Volume of cotton seedcake utilized for stockfeed production
- Income from sales of cotton seed oil
- SHF's compliance with CompACI guidelines

### Tangible results to date

There are a number of tangible benefits achieved from KAP:

- Together, we have been able to improve the livelihoods of 3,800 Kenyan farmers and their families. With each farming family having about five members, the number of people positively impacted is about 7,500 people.
- The poultry program is providing a source of income and household nutrition. In 2021, 11,900 birds will be distributed.
- All SHFs have access to bank accounts, credit and ability to save.
- Two co-operatives are collectivising SHFs and bring together isolated members of the community.
- Two cooperative Boards representing SHF.
- All SHF are all growing to CompACI guidelines.
- All SHFs are trained in climate smart agriculture practices and resource management, such as cycling crops in sympathy with rainfall patterns.
- By 2021, 2,000 ton of seeded cotton will be produced for COG. COG has access to single source sustainably produced cotton. As a result, providing customers with greater visibility on where and how their cotton is produced.
- BTL has a strong community development program which has enabled them to achieve a social licence to operate. This has meant no mine stoppage and created strong relations with both local and national government. Importantly,

their mine licence has been extended, providing them the opportunity to explore for more mineral deposits and extend the life of their mining operation and their assets.  
- KAP is designed to be self-sustaining by 2025.

**Please provide relevant documentation to support claims made in this application.**

---

**Upload any supporting documentation**

- [Supporting-documents.zip](#)

**Official endorsement**

---

**Endorsement**

- I am authorised to submit this application on behalf of my organisation and confirm that all required approvals have been sought and received.
- I acknowledge that in order to finalise this application I will pay the relevant administration fee.