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AfriFOODlinks

Guide for Documentation of business and investment cases along key food value chains contributing to nutrition and circularity in hub cities

2026 AfriFOODlinks

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LINCS Value Framework



	Learning	Inclusivity	Novelty	Collaboration	Sustainability
	The project stresses the value of experiential learning and that multiple ways of knowing are welcomed, deemed of equal value, and can be connected to enhance understanding. *"NEA ONNIM NO SUA A, OHU" - "He who does not know can know from learning"*	and deliberate engagement and empowerment of communities will enhance their agency and participation in decision-making for a people-centred and informed research, policy and practice. *"FUNTUNFUNEFU-DENKYEMFUNEFU" - "Unity in diversity"*	represents the embracing of the new or unexpected, which necessarily requires diverse expertise, skills and perspectives. It includes the dismantling of inappropriate systems in favour of traditional or indigenous practices. *"UAC NKANEA" - "UAC lights" symbolises technological advancement.*	To successfully ensure transdisciplinary work, societal actors must be continuously engaged to co-define the research objectives and questions, and to continuously contribute to meaning-making with the researcher as the research progresses. *"BOA ME NA ME MMOA WO" - "HELP ME AND LET ME HELP YOU".*	is articulated both as the overarching global imperative to ensure economic, environmental and social wellbeing, and as the ethos that every project intervention must aim to become self-sustaining. *"SANKOFA"- The backwards turning bird symbolises returning while looking forward*
How does this deliverable contribute to each of the values?	This deliverable strengthens institutional and cross-city learning by codifying a harmonised methodology for documenting business and investment cases that can be consistently applied across the AfriFOODlinks Hub Cities and replicated by other urban food system initiatives. By integrating practical tools, templates, assessment criteria and a simplified Social Return on Investment (SROI) framework, it converts implementation experience into a transferable knowledge asset that supports evidence-informed decision-making, capacity development, and continuous methodological improvement.	This deliverable advances inclusivity by embedding equitable participation and social impact within the methodology for selecting, documenting and assessing business and investment cases. It promotes enterprises that improve access to nutritious food, strengthen local value chains, create opportunities for women and youth, and generate broader community benefits. By integrating social, nutritional and livelihood dimensions alongside commercial viability, the methodology supports more inclusive urban food system transformation.	This deliverable contributes innovation by introducing an integrated methodological framework that combines business case development, investment case preparation, circularity assessment and simplified ex ante SROI analysis within a single decision-support process tailored to African urban food systems. The methodology provides a novel approach for demonstrating both commercial viability and societal value, thereby strengthening the investment readiness of innovative food system enterprises.	This deliverable strengthens collaboration by providing a common methodological framework that aligns implementation across all Hub Cities while facilitating knowledge exchange between cities, researchers, enterprises, investors and public authorities. The methodology establishes a shared approach for documenting and communicating business opportunities, thereby enhancing cooperation, comparability and opportunities for replication across the AfriFOODlinks consortium and beyond.	This deliverable advances sustainability by equipping cities and enterprises with a robust methodology for identifying, documenting and communicating business models that generate lasting environmental, social and economic value. Through integration of circular economy principles, nutrition outcomes, climate resilience, financial viability and impact measurement, the methodology supports investment decisions that contribute to resilient and sustainable urban food systems beyond the project lifetime.
How did you practice this value in this deliverable?	Learning was embedded through an iterative co-development process that synthesised implementation experience from the five Hub Cities into a structured methodology. Feedback from city focal points and project partners was systematically incorporated to refine the guidance, ensuring that the deliverable reflects practical experience while generating reusable knowledge, standardised tools and methodological guidance for future implementation.	Inclusivity was operationalised through a participatory methodology that engaged Hub City focal points, enterprise owners, local authorities and other stakeholders throughout the development, validation and documentation process. The methodology ensures that business case evidence is informed by local knowledge, validated by participating enterprises, and reflects diverse stakeholder perspectives while promoting transparency and local ownership.	Novelty was demonstrated by adapting internationally recognised methodologies into a practical, context-specific framework that responds to the realities of SMEs and urban food system actors in Africa. The deliverable combines multiple analytical approaches including Theory of Change, Business Model Canvas, Model C, circularity assessment and simplified SROI into a coherent methodology that had not previously existed within the project.	Collaboration was demonstrated through the joint development of the methodology with representatives from the five Hub Cities and relevant work packages. The deliverable incorporates contributions from multiple partners during the design, review and validation phases, while clearly defining collaborative roles for city focal points, enterprises, technical experts and project partners throughout the business case documentation process.	Sustainability was embedded throughout the methodology by integrating circularity, nutrition, resilience, financial sustainability and social impact into the selection, assessment and documentation of business cases. The inclusion of investment readiness guidance and SROI analysis ensures that proposed business models are designed not only to demonstrate impact but also to mobilise resources and sustain implementation beyond AfriFOODlinks funding.

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Executive Summary

AfriFOODlinks addresses food insecurity and environmental challenges by transforming urban food environments in African cities, the critical arena where residents' food choices shape nutrition outcomes and where priorities of availability, access, agency, utilization, and stability converge. By targeting key drivers of infrastructure investment, social and cultural preferences, and business innovation the project fosters resilient, circular, inclusive, and nutrition-sensitive agri-food systems linking Africa and Europe.

Work Package 3 (WP3) incubates innovative circular businesses and cultivates enabling environments through six tasks (3.1–3.6). Deliverable 3.6 provides a practical methodological guide for producing and leveraging investment and business cases, with MSMEs at its core. The guide outlines step-by-step processes to develop compelling cases for initiatives such as supplying nutritious food to schools, establishing local food distribution platforms, or implementing low-cost quality assurance and traceability systems.

Key components include Case Development Framework: Tools for assessing market viability, financial modeling, impact projection (nutrition, circularity, inclusivity), and risk mitigation. Leveraging Strategies: Tactics for pitching to investors, integrating into policy advocacy, scaling via partnerships, and measuring long-term returns. Practical Examples: Real-world templates and case studies from AfriFOODlinks pilots, adaptable to urban contexts.

This deliverable equips MSMEs, policymakers, and innovators with actionable methods to secure funding, drive business innovation, and amplify systemic change. It supports WP3's broader goals by bridging innovation with investment, advancing AfriFOODlinks' vision of sustainable urban food systems

1. Introduction

1.1. About AfriFOODlinks and Task 3.5

AfriFOODlinks is a multi-city initiative working to transform Africa's urban food environments as a pathway to improved nutrition, environmental sustainability, and socio-economic resilience. Urban food environments are where residents make their daily food choices and where the priorities of food security—availability, access, agency, utilisation, and stability—are most visible. By acting on **three key drivers—infrastructure investment, social and cultural preferences, and business innovation**—AfriFOODlinks aims to shift to healthy and sustainable diets, strengthen food-related governance within cities, and scale inclusive agri-food enterprises.

The project operates in **five African Hub Cities**[1], supported by **10 African and 5 European Sharing Cities**, and connects with a wider network of more than **45 cities.** Hub Cities pilot real-world innovations and governance models, while Sharing and Network Cities adapt and replicate solutions. Across all, the focus is on: promoting healthy diets, enabling inclusive governance, and accelerating youth- and women-led businesses that contribute to local value addition and circular economies.

Within this framework, **Work Package 3 (WP3)** promotes inclusive and circular food enterprises by incubating innovation and shaping enabling business environments. **Task 3.5** plays a catalytic role by developing **business and investment cases** for selected enterprises and urban food initiatives, with the aim of convincing potential "upscalers"—including city authorities, investors, and financial institutions—to support replication and growth. Two to three cases were planned to be developed in the five Hub Cities. The task combines **economic and social return on investment (SROI) analysis** with tailored engagement strategies such as bilateral meetings, working groups, and business showcases. It also links Hub Cities to technical and financial partners through platforms like ICLEI's Transformative Actions Program (TAP). Typical business and investment cases may address innovations in nutritious school meals, local food distribution systems, or affordable food quality and traceability tools.

This **Methodological Guide (Deliverable 3.6)** is the key output of Task 3.5. It captures the process of identifying, documenting, and leveraging investment and business cases across Hub Cities, offering lessons and tools for wider application.

1.2. About the Guide

1.2.1. Purpose

The purpose of this guide is to support the documentation and communication of innovative and circular food businesses emerging in the AfriFOODlinks Hub Cities. By presenting their models in clear business and investment terms, the guide helps these initiatives access the financing, partnerships, and technical assistance they need to expand, replicate, and remain sustainable beyond the life of the project. It also contributes to building a stronger enabling environment for urban food enterprises that advance nutrition and circularity goals.

1.2.2. Audience

The guide is designed for a wide range of users working within or alongside city food systems:

Business owners and entrepreneurs seeking to frame their initiatives in ways that attract support and investment.

City officials and municipal staff who want to highlight and support promising local enterprises.

Food system stakeholders (e.g. development agencies, NGOs, researchers, or networks) who act as intermediaries, helping communicate enterprise potential to funders and policy audiences.

1.2.3. Scope

The guide focuses on the process of producing and leveraging viable business and investment cases for urban food initiatives that contribute to nutrition and circularity. It provides:

[1] The five AfriFOODlinks Hub Cities are: Cape Town, Kisumu, Mbale, Ouagadougou, Tunis.

A methodology for identifying, assessing, and documenting business models.
Guidance on how to present cases in formats that resonate with different "upscalers" such as investors, local authorities, and financial institutions.
Tools and templates to ensure cases are comparable, credible, and adaptable across different city contexts.

1.3. How the Guide should be used?

This guide is intended as a practical resource for city teams and partners. It can be used:

- Step by step: following the methodology for identifying and producing a new business or investment case.
- As a reference: drawing on the lessons learned, examples, and templates to strengthen existing case documentation.
- For advocacy and scaling: supporting communication with funders, policymakers, and other actors who can help replicate successful business models.

By combining structured methods with real-world examples, the guide serves as both a **manual for practitioners** and a **bridge to long-term support mechanisms** for innovative food businesses.

2. Background and rationale

Across the whole continent, African cities have witnessed the emergence of innovative food enterprises that address pressing challenges related to food security, nutrition improvement and regenerative agriculture. These businesses develop solutions that expand access to healthy food, reduce waste, reuse resources, and create green jobs. Yet many remain small-scale or underfunded because they lack the tools to communicate their commercial value and impact in ways that resonate with interested funders and investors.
This is where business and investment cases play a pivotal role. Framing an enterprise through tools such as a business model canvas, a business case, or a structured investment profile enables entrepreneurs and city teams to present their work in a concise, credible, and professional format. Such cases speak the language of investors and financial institutions, highlighting key information such as scalability, risk, revenue potential, and return on investment. By packaging complex activities into a format that investors recognise, these cases can capture attention and open doors to financing, partnerships, and long-term support.

Beyond pre-investment structuring support, business and investment cases must demonstrate economic viability to capture the full spectrum of societal value that SMEs create. Food enterprises in the AfriFOODlinks Hub Cities not only improve dietary diversity and make food safer and more affordable, but also drive circular practices within the food and agriculture sector, and expand inclusive economic outcomes for women and youth. These outcomes are not secondary to financial performance – they strengthen market resilience, mitigate risk, and enhance long-term value creation. Recognizing and communicating such impact is central to mobilizing catalytic and institutional capital, including investors with defined impact mandates and those operating under sustainability disclosure regulatory where demonstrable social and environmental outcomes form an integral part of investment performance and compliance.

Developing strong business and investment cases therefore serves a dual purpose. First, it helps enterprises access the capital and support they need to expand and replicate their operations, ensuring their innovations last beyond the timeframe of AfriFOODlinks. Second, it provides cities and partners with a powerful communication tool, showcasing how local businesses are building healthier, more circular food systems. These cases can inspire peer learning, guide policy, and demonstrate that food enterprises are not only viable businesses but also vital contributors to sustainable urban development.

2.1. Some conceptual clarifications

To ensure clarity, this guide adopts the following definitions:

Business case:

A business case refers to a specific enterprise, typically a small or medium-sized company, cooperative, or start-up. It documents the business model, revenue streams, growth potential, and impacts of the enterprise, presenting them in a format that resonates with potential investors or supporters. In AfriFOODlinks, business cases highlight innovative and circular enterprises that are already operating in Hub Cities and demonstrate potential for scaling and replication.

Investment case:

An investment case refers to broader initiatives that require financial or technical support, often led or co-led by city governments or other institutions. These may include infrastructure projects, public–private partnerships, or system-level investments such as food distribution facilities, urban markets, or traceability systems. Investment cases demonstrate not only financial viability but also the wider social, environmental, and nutritional returns that such initiatives can generate for cities.

Both business and investment cases are considered for the documentation process outlined in this guide.

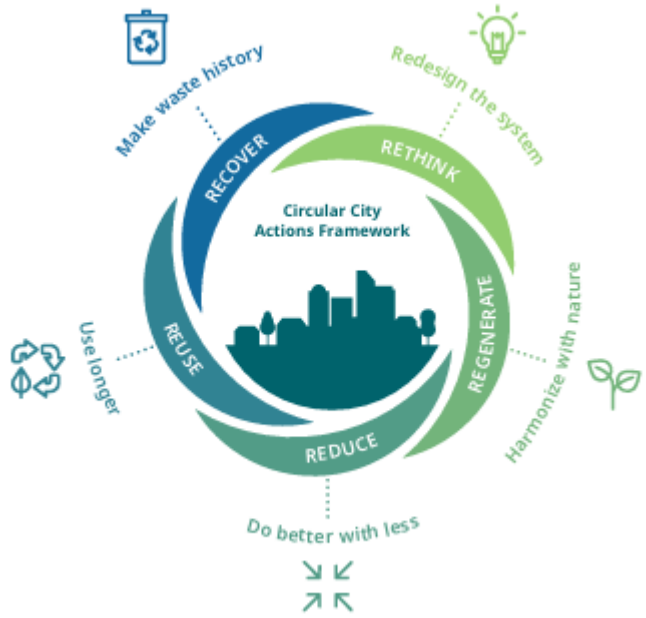
Food value chains:

Food value chains encompass the full set of activities and actors involved in producing, processing, transporting, distributing, and consuming food. They also include the systems that manage waste and by-products. Viewing enterprises within their value chain context allows for a better understanding of their contribution to nutrition, circularity, and inclusive economic development.

Circularity:

Circularity is a lens used to assess how businesses minimize inputs and waste while maximizing nutritional, social, and economic value. In AfriFOODlinks, circularity is interpreted through the 5Rs framework:

- Rethink – providing environmentally friendly and nutritious foods.
- Regenerate – sourcing from regenerative agriculture, such as working with organic farmers.
- Reduce – applying zero-waste practices, e.g. reusing by-products or using biodegradable packaging.
- Reuse – extending product or asset life, e.g. renting instead of owning equipment.
- Recover—processing organic waste into animal feed, compost, or energy.



Source: (ICLEI, Circle Economy, Metabolic and Ellen MacArthur Foundation, 2021)

3. Methodology for Developing Business and Investment Cases: A Step-by-Step Approach

3.1. General Approach

The methodology presented in this guide was **co-developed with the focal points of the five AfriFOODlinks Hub Cities**, drawing on their local knowledge and practical experience. It was refined through a series of collaborative meetings and exchanges, ensuring that the process reflects realities on the ground while maintaining consistency across different city contexts.

To guarantee scientific robustness and methodological cohesion across the project, the approach was designed in close collaboration with representatives from Work Package 1, which provides overall guidance on knowledge validation and methodological alignment. This process helped ensure that the approach not only serves the immediate needs of Task 3.5, but also integrates into the broader research and learning framework of AfriFOODlinks.

The scope of the selection process focused on enterprises and initiatives already supported within AfriFOODlinks, namely:

SMEs incubated under Task 3.2, which have already passed through an initial funnel of selection and support.

Enterprises undergoing coaching in circularity and inclusivity under Task 3.4.

City-level pilots under Task 4.3, which demonstrate potential to be developed into investment cases.

By drawing from these streams, the methodology builds on enterprises and pilots that have already received support from AfriFOODlinks, ensuring that the documented cases are not only innovative but also positioned for upscaling and replication.

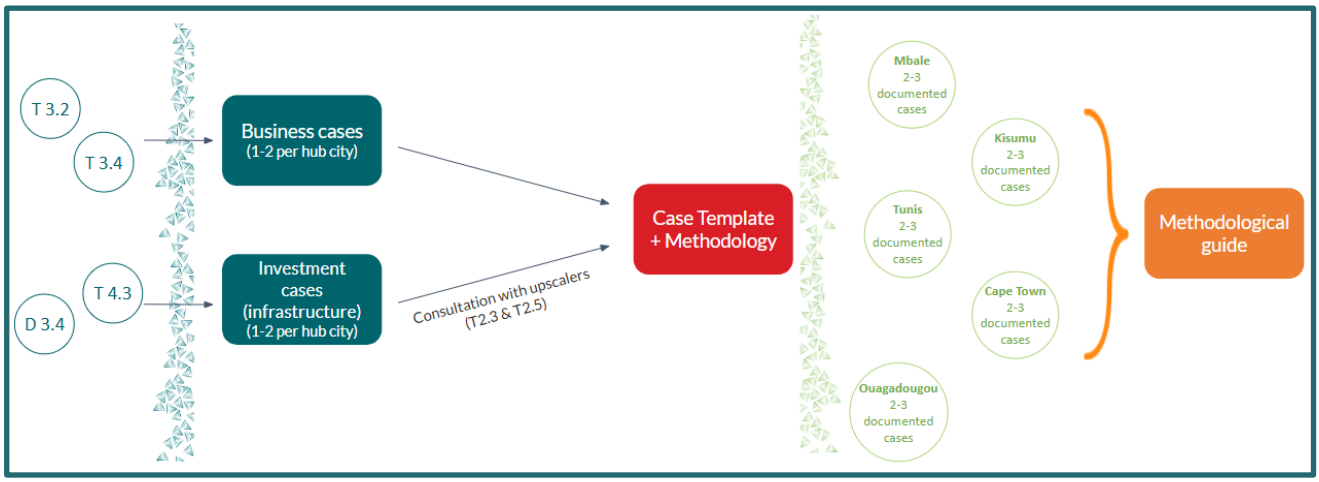
The general approach builds on three core principles:

Co-creation – engaging city focal points and stakeholders to shape tools and criteria.

Comparability – ensuring that business and investment cases developed in different cities can be meaningfully compared, shared, and adapted.

Scientific and practical credibility – combining rigorous methods (e.g. return on investment analysis, structured assessments) with formats that are accessible and useful to practitioners, investors, and policymakers.

The infographic below (Figure 1) summarizes the general approach for selecting the business and investment cases, drawing on the initiatives supported by other AfriFOODlinks tasks.



General approach for selecting the business and investment cases

This general approach provides the foundation for the step-by-step methodology outlined in the following section.

3.2. Methodology for Developing Business and Investment Cases: A Step-by-Step Process

This section presents the practical methodology for identifying, screening, selecting, and developing business and investment cases for documentation. While specifically designed for use by the AfriFOODlinks Hub Cities, the approach provides a broader framework that can also be applied by other cities in Africa and beyond.

The methodology combines structured assessment tools with participatory engagement to ensure that documented cases are both rigorous and comparable across contexts, while remaining locally grounded and meaningful to stakeholders. This dual focus increases the credibility of the cases for external investors, while also strengthening their relevance for city authorities, entrepreneurs, and other actors within local food systems.

Step 1. Scoping and Selection

The initial stage is to define the **scope** of the assessment, agree on the eligibility and selection criteria, and build a pool of potential cases. This provides clarity on what types of enterprises and initiatives will be considered, and ensures alignment with AfriFOODlinks' objectives of advancing nutrition and circularity.

i. Define objectives and scope

- Clarify the focus: business cases (SMEs, start-ups, cooperatives), investment cases (infrastructure/city-led initiatives), or both.
- Ensure clear consent on the centrality of nutrition and circularity as assessment dimensions.
- Agree on the geographical and sectoral scope within the Hub City.
- **Task coordinators** should be assigned per city or case, and should define objectives, criteria, timeline, and roles.

Responsibility: Local stakeholders (Hub City focal points), in consultation with the AfriFOODlinks Task 3.5 team.

ii. Establish eligibility & selection criteria

- Define minimum requirements and **eligibility criteria** (e.g. operational history, availability of records, willingness to engage). In the case of Task 3.5, as the cases drew on Tasks 3.2, 3.4, and 4.3, those requirements had been pre-defined.
- Agree on **selection criteria** to guide initial screening (nutrition contribution, circularity, scalability, etc.). These will be detailed in the following section.

Responsibility: AfriFOODlinks Task 3.5 team, with validation by Hub City focal points and local stakeholders.

iii. Identify a longlist of potential cases

- Hub City focal points, in collaboration with local stakeholders, generate a long list of candidate enterprises and initiatives.
- For AfriFOODlinks, sources include Task 3.2 (incubated SMEs), Task 3.4 (coached enterprises), and Task 4.3 (city-level pilots).

Responsibility: Local stakeholders and Task Coordinators (Hub City focal points), drawing on inputs from other task leads, local partners, initiatives.

iv. Gather basic information and prepare initial profiles

- Compile basic profiles for each candidate, capturing sector, ownership, location, main operations, and products/services.
- These profiles provide a common basis for the initial screening process.

Responsibility: Local stakeholders and Task Coordinators (Hub City focal points), prepare profiles; AfriFOODlinks Task 3.5 team ensures standardisation and comparability across cities.

Step 2. Initial Screening and Assessment

Once a longlist of potential cases has been identified, the next step is to screen and assess them systematically to shortlist the most promising ones for full documentation. This involves applying structured tools and scoring criteria to ensure that the process is transparent, comparable, and aligned with AfriFOODlinks objectives.

i. Apply the *Case Study Selection Scoring Grid* - Quantitative Assessment Tool

A structured **Case Study Selection Scoring Grid (Annex I)** is used to evaluate each candidate against the agreed criteria. In AfriFOODlinks, this grid applied **20 selection criteria** outlined in **Table 1** below.

The tool functions on a **binary scoring system**:

- Each criterion is assessed as YES (score = 1) if met, or NO (score = 0) if not met.
- All criteria are discrete, ensuring clarity and comparability across different cases.

In addition to scoring, task coordinators are asked to provide a **short justification for each score,** including supporting evidence from records, interviews, or observations. This ensures transparency in the selection process and allows for later validation.

While developed for Task 3.5, the scoring grid is **adaptable to different city contexts**. Cities may adjust or expand the criteria to reflect local priorities, provided that core dimensions of **nutrition, circularity, and scalability** remain central to the assessment.

Table 1: Selection Criteria for Case Study Documentation

A Potential for upscaling / Replication in the Hub City	B City Nutrition Enhancement	C Circularity potential
1. **Demonstrated demand for the product/service/ facility in the current or new markets.** Evidence of unmet market needs, growing customer base, growing trend. 2. **Scalable business or investment model.** Business can easily grow via replication, franchising, or production expansion without requiring redesign. 3. **Access to finance or clear potential to attract investment for growth.** Has secured or is actively negotiating funding, or meets common investor criteria 4. **Existing partnerships or networks that can support expansion.** Active collaboration with NGOs, governments, cooperatives,investors, that could be leveraged for scaling. 5. **Strong management team with experience in scaling businesses.** Founders/managers have proved experience in growing businesses or operations. 6. **Climate change mitigation: Reduces GHG or footprint.** Uses carbon smart practices such as: low-emission transport, energy-efficient storage/processing, waste-to-energy, etc. 7. **Employment of women and youth.** % of women/youth employees and	9. **Produces or distributes nutrient-dense foods.** Provides fresh or minimally processed foods high in essential nutrients (fruits, vegetables, animal-source foods). 10. **Focuses on food products that address local nutrition gaps.** Targets known deficiencies (e.g., iron, Vitamin A, protein) in the local population. 11. **Targets vulnerable populations with nutritious offerings.** Pricing, distribution, or product design intentionally reaches low-income families, pregnant women, or children. 12. **Provides nutrition education or awareness as part of business activities.** Includes food labels, cooking demos, school partnerships, etc. 13. **Ensures food safety and quality standards are met or exceeded.** Has traceability, hygiene practices, and certification (if applicable). 14. **Promotes dietary diversity through its product range.** Offers a variety of food types or introduces underutilized local foods. 15. **Contribution to climate resilience in food systems.** Business reduces vulnerability to climate shocks (e.g., diverse sourcing,	16. **RETHINK: Existing synergies with upstream and downstream businesses or closed-loop systems.** Uses outputs from one process as inputs to another; coordinates with nearby businesses (e.g., brewery waste → animal feed). 17. **REGENERATE: Use of renewable energy and support for regenerative agriculture.** Solar, biogas, agroecological practices, permaculture, etc. 18. **REDUCE: Targets for minimizing resource use or waste**. Tracks and sets goals for reducing food loss, water, or packaging. 19. **REUSE: Emphasizes reuse and shared economy models.** Implements container return systems, sharing platforms, or resale of surplus food. 20. **RECOVER: Reintroduces nutrients into the system.** Composting, anaerobic digestion, or other nutrient recovery from organic waste.

existence of inclusion policies with measurable results. 8. **Sourcing inputs from the city region, benefiting primary producers.** Ingredients or raw materials are purchased from regional smallholder farmers, fisher(wo)men, or cooperatives.	water-saving practices, adaptive infrastructure).	

Responsibility: AfriFOODlinks Task 3.5 team designs and validates the tool; Task Coordinators (Hub City focal points) and trained enumerators apply it.

ii. Collect data using digital tools

- Using different platforms, such as KoboToolbox, and both desk and field research, collect detailed data to assess each long list case. This may include interviews and analyses of official documents from the analysed businesses/investments.

Responsibility: Task Coordinators (appointed by Hub City focal points) collect data; Task 3.5 team provides oversight.

iii. Rank and shortlist candidates

- Assess each case through the Scoring Grid tool.
- Generate composite scores and rank enterprises/initiatives.
- Identify the top candidates for qualitative documentation.

Responsibility: Task Coordinators (Hub City Focal points) score the cases and prepare the shortlist. collect data; Task 3.5 team provides cross-city validation to ensure comparability.

iv. Engage enterprises and initiative owners for validation

- Share the preliminary assessments and shortlist with the owners of the shortlisted businesses or initiatives.
- Invite their feedback to confirm accuracy of the information and to capture additional insights or clarifications.
- Secure **explicit consent for documentation and public sharing of the case**. This should include signing a **non-disclosure agreement (NDA)** (see annex Y for template) or a **letter of intent** that outlines how the information will be used and what level of detail can be made public.
- Use this process to build **endorsement and ownership** of the documentation, ensuring that enterprises see the case as a collaborative product rather than an external assessment.

Responsibility: Task Coordinators (Hub City focal points) lead engagement with businesses/initiatives; Task 3.5 team provides methodological background, templates, and ensures comparability across cities.

Step 3. Documentation and Case Development

After the shortlist of promising enterprises and initiatives has been validated, the next step is to **document them in detail and develop them into full business or investment cases**. This involves using a **Business Case Template (Annex II)** to combine qualitative insights with structured analysis to produce cases that are both compelling and comparable.

i. Validate and adapt the documentation template

- Review the Business and Investment Case Template provided by the Task 3.5 team (Annex III).
- Adapt the template to reflect local priorities and information needs (e.g. nutrition focus, gender inclusion, specific value chain dynamics).
- Ensure that key circularity and sustainability elements are maintained, and that the template remains comparable across cities.

Responsibility: Task Coordinators (Hub City focal points) lead adaptation with input from local stakeholders; Task 3.5 team provides the core template and ensures alignment across Hub Cities.

ii. Collect data and conduct qualitative assessments

- Carry out **interviews** with enterprise owners and staff and, if necessary, use questionnaires, site visits and field observations.
- Use a structured **Key Informant Interview (KII) guide (Annex III)** to gather key information for completing the Template, including on the business model, operations, nutrition and circularity practices, financial needs, and future plans.

Responsibility: Task Coordinators (Hub City focal points) collect data; Task 3.5 team provides oversight.

iii. Develop business and investment case profiles

- Organise the information collected using the Business and Investment Case Template.
- Highlight the **value proposition**, customer segments, key partners, distribution channels, and revenue streams.
- Document revenues, costs, capital needs, and risk factors, and, if possible, calculate the expected return on investment (ROI).
- Integrate qualitative findings with quantitative results to ensure a balanced profile.

Responsibility: Task Coordinators (Hub City focal points); Task 3.5 team reviews for consistency.

iv. Develop an ex ante Social Return on Investment (SROI)

- To strengthen the case, complement the profile with a simplified **ex ante SROI analysis**.
- SROI is a methodology which estimates the broader social, nutritional, and environmental value created by the enterprise relative to the investment required.
- For AfriFOODlinks, the analysis focuses on a limited set of priority outcomes, such as:
  - ✓ Improved nutrition access and dietary diversity.
  - ✓ Reduction of food loss and waste through circular practices.
  - ✓ Job creation, particularly for women and youth.
  - ✓ Environmental benefits such as reduced emissions or regenerative practices.
- The aim is not to deliver a full financial audit, but to provide a credible, forward-looking estimate of value that resonates with investors, funders, and policymakers.
- A detailed, step-by-step guide for applying the simplified SROI, including references to tools such as the **Social Value Map and the Guide to SROI**, is provided in **Annex IV.**

Responsibility: Task Coordinators (Hub City focal points); Task 3.5 team reviews for consistency.

Step 4. Validation and Refinement

Once draft business and investment cases are developed, they should be validated and refined to ensure accuracy, ownership, and credibility.

i. Validate with enterprises and initiative owners

- Share the draft case with the business or initiative owner for review.
- Confirm that all information is accurate, assumptions are reasonable, and the narrative reflects their reality.

Responsibility: Task Coordinators (Hub City focal points)

ii. Refine for comparability and clarity

- Standardise cases across Hub Cities to ensure they are comparable in scope, structure, and level of detail.
- Edit for clarity and accessibility, avoiding overly technical language.
- Ensure that nutrition, circularity, and gender dimensions are explicitly highlighted.

Responsibility: Task 3.5 team reviews for consistency across cases.

Step 5. Leveraging and Communication

The ultimate purpose of documenting business and investment cases is to ensure that they are used as tools to attract investment, technical assistance, and policy support. Step 5 focuses on how cases are communicated and leveraged with different audiences.

i. Package cases for target audiences

- Use the information from the business and investment case templates to create clear, audience-ready products.
- Translate the data into recognised and concise formats, such as:
  - ✓ **Business Model Canvas** – to present value proposition, customer segments, key partners, and revenue model.
  - ✓ **Theory of Change** – to map inputs, activities, outputs, and expected outcomes.
  - ✓ Model C – a new tool that combines the Business Model Canva with the Theory of Change.
- Prepare other audience-tailored outputs such as **pitch decks** – to communicate the opportunity visually and persuasively to investors - or **one-page briefs** – to provide a concise overview of the enterprise or initiative.

Responsibility: Task Coordinators (Hub City focal points).

ii. Share with potential upscalers and investors

- Present cases at events such as the Milan Urban Food Policy Pact Global Forum, multi-stakeholder platforms, workshops, and bilateral meetings.
- Disseminate through AfriFOODlinks' networks and partner platforms, including ICLEI's Transformative Actions Program (TAP) for connecting with finance.

Responsibility: Task Coordinators (Hub City focal points); Task 3.5 and WP6 teams facilitate regional/international exposure.

iii. Facilitate direct engagement with upscalers

- Organise bilateral meetings and introductions between enterprises, city authorities, and investors.

Responsibility: Task Coordinators (Hub City focal points) and Task 3.5 teams identify engagement opportunities and organize meetings.

iv. Monitor uptake and feedback

- Track investor interest, follow-ups, MoUs, technical assistance, grants/loans secured.
- Capture feedback to refine templates and approach.

Responsibility: Task Coordinators (Hub City focal points) track feedback ; Task 3.5 coordinates and aggregates cross-city learning.

4. Future Directions: Learning from Application

This guide has outlined the methodology for identifying, documenting, and leveraging business and investment cases in AfriFOODlinks Hub Cities. Its purpose is to provide a structured, practical approach that can be applied consistently across different contexts.

At this stage, the guide is focused on the process rather than the outcomes. The documentation of concrete cases is still ongoing, and valuable lessons about what works, what challenges arise, and how best to tailor tools to different stakeholders will emerge during implementation. These lessons will be synthesised at a later stage and may inform an updated version of this guide or complementary knowledge products.

By approaching the work in this way, AfriFOODlinks ensures that the methodology remains both rigorous and adaptable, and that it can evolve based on real-world experiences in applying it to diverse food system enterprises and investment opportunities.

5. Conclusion

Documenting business and investment cases is not only a technical exercise but also a means of creating bridges between enterprises, city authorities, investors, and other stakeholders. By following the step-by-step methodology presented in this guide, Hub Cities can ensure that selected cases are credible, comparable, and meaningful. The process combines structured tools with participatory engagement, emphasising both financial viability and contributions to nutrition, circularity, and broader social value.

Ultimately, the strength of this methodology lies in its flexibility: it offers a common framework that can be adapted to different city contexts and enterprises, while maintaining consistency across AfriFOODlinks. The cases developed through this process will serve as practical instruments to attract investment, guide decision-making, and inspire replication beyond the life of the project.

6. Annexes

Annex I - Case Study Selection Scoring Grid

AfriFOODlinks Task 3.5:

Guide for documenting business and investment cases along key food value chains contributing to nutrition and circularity in hub cities

Case Study Selection - Scoring Grid

Hub City: .....

Initiative name: .....

Initiative's AfriFOODlinks Task:

Task 3.2
Task 3.4
Task 4.3

Responsible / Contact Person: .....

#	Criterion	Details / Observable Indicator	Score (1 if YES, 0 if NO)	Justification and Evidence (max 50 words) (add only for selected cases)
Potential for upscaling / Replication in the Hub City				
1	Demonstrated demand for the product/service/ facility in the current or new markets	Evidence of unmet market needs, growing customer base, growing trend		
2	Scalable business or investment model	Business can easily grow via replication, franchising, or production expansion without requiring redesign.		
3	Access to finance or clear potential to attract investment for growth	Has secured or is actively negotiating funding, or meets common investor criteria.		
4	Existing partnerships or networks that can support expansion.	Active collaboration with NGOs, governments, cooperatives,investors, that could be leveraged for scaling.		
5	Strong management team with experience in scaling businesses.	Founders/managers have proved experience in growing businesses or operations.		
6	Climate change mitigation: Reduces GHG or footprint	Uses carbon smart practices such as: low-emission transport, energy-efficient storage/processing, waste-to-energy, etc.		

7	Employment of women and youth.	Existence of inclusion policies with measurable results and % of women/youth employees above 40%.		
8	Sourcing inputs from the city region, benefiting primary producers.	Ingredients or raw materials are purchased from regional smallholder farmers, fisher(wo)men, or cooperatives.		
City Nutrition Enhancement				
9	Produces or distributes nutrient-dense foods.	Provides fresh or minimally processed foods high in essential nutrients (fruits, vegetables, animal-source foods).		
10	Focuses on food products that address local nutrition gaps.	Targets known deficiencies (e.g., iron, Vitamin A, protein) in the local population.		
11	Targets vulnerable populations with nutritious offerings	Pricing, distribution, or product design intentionally reaches low-income families, pregnant women, or children.		
12	Provides nutrition education or awareness as part of business activities.	Includes food labels, cooking demos, school partnerships, etc.		
13	Ensures food safety and quality standards are met or exceeded.	Has traceability, hygiene practices, and certification (if applicable).		

14	Promotes dietary diversity through its product range.	Offers a variety of food types or introduces underutilized local foods.		
15	Contribution to climate resilience in food systems.	Business reduces vulnerability to climate shocks (e.g., diverse sourcing, water-saving practices, adaptive infrastructure).		
Circularity potential (Five R's of the Circular City Actions Framework)				
16	RETHINK: Existing synergies with upstream and downstream businesses or closed-loop systems.	Uses outputs from one process as inputs to another; coordinates with nearby businesses (e.g., brewery waste → animal feed).		
17	REGENERATE: Use of renewable energy and support for regenerative agriculture	Solar, biogas, agroecological practices, permaculture, etc.		
18	REDUCE: Targets for minimizing resource use or waste	Tracks and sets goals for reducing food loss, water, or packaging.		
19	REUSE: Emphasizes reuse and shared economy models	Implements container return systems, sharing platforms, or resale of surplus food.		
20	RECOVER: Reintroduces nutrients into the system	Composting, anaerobic digestion, or other nutrient recovery from organic waste.		

Annex II - Business and Investment Case Template

Business and Investment Case Documentation Form

Section 1: General Information

1. Business Name:
    - Name of the food initiative
    - Registry number (if applicable)
2. Location:
    - City and specific area where the initiative operates.
3. Contact Information:
    - Name of the primary contact person.
    - Email address.
    - Phone number.
4. Focal Point:
    - Name and contact information of the focal point completing the template.

Section 2: Initiative Overview

5. Summary
    - Brief overview of the initiative/project.
    - Objectives, rationale and mission statement
6. Description:
    - Primary industry/sector
    - Main service or product
    - Number of employees
    - Number of customers per month
    - Employees' composition (males and females)
    - Size of the business
    - Nat ure of the customers
7. Timeline:
    - Timelines and key milestones of the initiative/ business

Section 3: Business Model

1. Value Proposition:
    - What makes this initiative/project unique? Why should customers/users use it?
    - How does it provide nutritional value and benefits to customers/users or the city?
2. Target Audience and customer segments
    - Primary beneficiaries (e.g., schools, local communities, businesses).
    - Where are the customers for this initiative (location for segmentation purposes)
    - How do these customers get to know this initiative/project (awareness creation)
    - Who are the actors in this initiative/project?
3. Key resources and activities
    - : What are the resources required for the success of this business model (skills, finances, equipment, etc)
    - Who are the main suppliers and partners?
    - Who are the potential upscalers for this initiative/project (County government, financial institutions, incubators, etc)
4. Revenue Streams:
    - Primary sources of revenue streams

- Any secondary revenue streams.

5. Cost Structure:
    - Main costs incurred in running the initiative/project
    - Fixed vs. variable costs.
6. Risk Analysis:
    - Identification of potential risks.
    - Likelihood and impact of each risk.
    - Mitigation strategies

Section 4: Financial Analysis

1. Funding Sources:
    - Current and potential funding sources.
    - Grants, loans, investments, etc.
2. Budget:
    - Detailed budget breakdown.
    - Financial projections for the next 3-5 years.
3. Financial Performance:
    - Current financial health.
    - Key financial metrics (e.g., ROI, break-even point).
4. 4. Cost-benefit analysis
    - Current profit/loss margin
    - Project profit margin

Section 5: Social and Economic Impact (Nutrition and Circularity)

1. Social Return on Investment (SROI):
    - Explanation of the social benefits and metrics used to measure social impact.
    - Impact on community
        i. How is your business currently impacting your city/community?
        ii. Economic benefits to the community (job creation, local economy stimulation, etc.)
        iii. Number of youth employees in the business
        iv. How does the initiative involve the community in its activities?
    - Gender
        i. What are your business' current efforts to achieve gender equality and
        ii. inclusivity?
        iii. What is the gender ratio in the business?
        iv. How many women are involved in decision making in the business?
2. Sustainability and circularity
    - How does sustainability and circularity contribute to the operation of your initiative/project?
    - How does your initiative or project incorporate sustainable, compostable, or eco-friendly materials in its operations?
    - In what ways does your initiative or project work to minimize food loss and waste during processing and distribution?
    - How are food ingredients sourced in your initiative or project, and what steps are taken to prioritize local and ethical suppliers?
    - What strategies does your initiative or project use to reduce carbon emissions in food transportation and logistics?
    - How does your initiative or project manage the recovery or repurposing of food leftovers, food waste, or food packaging?

Section 6: Future Plans and Scalability

1. Expansion Plans:
    - Current plans for scaling the initiative. What would scale look like for you in the future?
    - Future geographical or demographic expansion.
    - What strategies will the initiative adopt to support its growth and expansion?
    - Who are the potential partners for upscaling of this initiative?
2. Innovation and Improvement:
    - Potential areas for innovation.
    - Continuous improvement strategies.
    - What kind of modifications that can be made to the product(s) to stay ahead of competitors
    - What are the potential new products that can be developed from the existing products?
3. Replication
    - Can your initiative/project be replicated in other cities and regions?
4. Potential upscalers
    - Who are the potential upscallers of this business case and what are there respective data/ information needs.
    - What is needed for the upscaling of this business?
    - What is the market potential that can enhance the commercialization of this business/initiative?

Section 7: Support or Investment Required

1. Technical Support:
    - Types of technical expertise needed.
2. Financial Support:
    - Specific financial support required (e.g., investment, loans).
3. .Physical support
    - Infrastructure, equipment, space
4. Technological support
    - Digital tools/software
5. Other Support:
    - Any other forms of support needed (e.g., marketing, logistics, policy and regulations, market information and data).

Instructions for Completing the Template

1. Each section should be filled out with as much detail as possible to provide a comprehensive understanding of the initiative/project.
2. Use clear and concise language to ensure the information is easily understood by all stakeholders.
3. Attach any relevant documents to support the information provided in the template.

Reach out to jinyu.chen@iclei.org or wilber.kakaire@rikolto.org for any clarifications or assistance

Annex III - Step-by-step guide for estimating simplified SROI

Context & basis

This annex provides a pragmatic, **forward-looking (ex-ante) method to estimate the social, nutritional, environmental and economic value that a business or investment case is likely to generate**, expressed as a ratio of total benefits to total investment.

It is based on Social Value International's (SVI) *"Guide to SROI"*—originally authored under the UK Cabinet Office, updated in 2015, and still widely used as the canonical reference. It has been applied by NGOs, governments, enterprises, and investors. For AfriFOODlinks, a simplified ex ante (forecast) version is most appropriate:

- Ex ante: estimates future social value before it happens, useful for planning and investment mobilisation.
- Simplified: adapted to the capacity and data availability of SMEs and local authorities, avoiding the complexity of a full audit.

This annex outlines a **step-by-step process** that builds on Social Value International's framework while streamlining it for food-system enterprises and initiatives. To facilitate building the SROI, we recommend using the Social Value International's **SROI Value Map,** which helps calculate the SROI. The Value Map can be found here: https://www.socialvalueint.org/sroi-value-map.

What SROI does

- Converts expected social and environmental outcomes (e.g., healthier diets, reduced waste, jobs for women/youth) into monetary value using transparent proxies.
- Adjusts for what would have happened anyway and others' contributions (to avoid over-claiming).
- Produces a single, communicable SROI ratio (and/or range), alongside a clear audit trail of assumptions and data.

Why use it here

- It speaks to investors and city decision-makers in economic terms while retaining AfriFOODlinks' focus on nutrition and circularity.
- It complements the financial case and narrative with a forward-looking estimate for upscaling/replication decisions.

We apply an ex-ante, simplified version: fewer outcomes (3–5), conservative proxies, and light-touch assumptions—sufficient for comparability across cities without the burden of a full assurance process.

For more detailed guidance, please refer to the official ***Guide to Social Return on Investment*** published by Social Value International (2015), available at: https://www.socialvalueint.org/guide-to-sroi.
That guide provides the full step-by-step process, detailed worked examples, and complementary tools such as the **SROI Value Map**, which can support the identification and valuation of outcomes. The simplified process below is an adaptation for AfriFOODlinks, designed to be practical and feasible for SMEs and Hub City stakeholders.

Stage 1 — Establish scope and identify stakeholders

The first stage of an SROI analysis sets the foundations: clarifying what is being measured, who is involved, and how. Without clear scope and stakeholder identification, the results may lack consistency or credibility.
Stage 1 involves three main tasks:

i. Establishing the scope

This means setting the boundaries of the analysis and being clear about what it covers. For AfriFOODlinks, the following eight points should always be considered:

- ***Purpose:*** Why is the SROI being conducted?
- ***Audience*** – Who will use the results?
- ***Background*** – Short description of the enterprise or initiative (activities, maturity, context).
- ***Resources*** – What time, data, and technical support are available?
- ***Who will carry out the work*** – Hub City focal point, enterprise team, Task 3.5 support.
- ***Range of activities*** – What parts of the business/project are included (and excluded)?
- ***Time period*** – Over how many years will outcomes be assessed.
- ***Type of analysis*** – Is this a forecast (ex-ante) SROI or an evaluation (ex-post)? AfriFOODlinks uses a simplified forecast approach.

For **AfriFOODlinks:**

- The **purpose** is to support scaling, prioritise cases, and attract investment.
- The **audience** will be by the SME founders, city officials, investors, funders.

- The work will be carried out by the **Task Coordinators and Hub City focal points.**
- The **time period** to be considered should be **3 years for business cases and 5 years for investment cases.**
- The analysis will be a forecast, that is **ex ante.**

ii. Identifying stakeholders

List the groups that experience change (positive or negative) as a result of the enterprise or project. Prioritise those that are material to the analysis.

- ***Primary stakeholders:*** direct beneficiaries (e.g. consumers, schoolchildren, employees, smallholders).
- ***Secondary stakeholders:*** indirect beneficiaries or affected parties (e.g. city departments, community members).

For **AfriFOODlinks,** our analysis is simplified, so keep the list **short and manageable** (3–4 groups).

iii. Deciding how to involve stakeholders

Decide how stakeholders will participate in the process. Normally, this could include:

- Quick interviews or surveys with enterprise staff, customers, or suppliers.
- Validation workshops with focal points and city officials.
- Review of draft results by enterprise owners to ensure accuracy and ownership.

As **AfriFOODlinks** involves a simplified analysis, stakeholder involvement can be limited to validation with the enterprise/initiative owner, with optional input from focal point, city officials, and customers/beneficiaries.

Output of Stage 1:

- A short **Scope Note** (1–2 paragraphs) documenting the eight key scope elements.
- A **list of stakeholders** (max. 3–4 groups) and how they will be involved. These can be added to the **SROI Value Map.**

Stage 2 — Map outcomes

Stage 2 is about creating a clear picture of how the enterprise or initiative generates change. This is often called an impact map or a simplified theory of change. It links what the enterprise does to the outcomes experienced by stakeholders, making assumptions explicit.

For this Stage, we can again use the SROI Value Map by **Social Value International** - complete columns C to F.

In the **AfriFOODlinks** simplified approach, the focus is on selecting **3–5 material outcomes** that are both significant for stakeholders and important for investment decisions.

i. Definition of inputs, activities, outputs, outcomes, impacts

- **Inputs** – Resources invested (e.g. staff time, capital, raw materials) and their financial value.
- **Activities** – What the enterprise does (e.g. producing healthy meals, collecting organic waste).
- **Outputs** – Immediate deliverables (e.g. number of meals served, tonnes of waste collected), quantitative summary of the activities.
- **Outcomes** – The changes stakeholders experience (e.g. improved nutrition, new income opportunities, reduced landfill use).
    - **Impacts** – The broader or longer-term difference made (e.g. better public health, reduced emissions, resilient livelihoods).

ii. Select key activities/outputs and material outcomes

1. Identify the key activities/outputs of the business or investment, and select 3-5 material outcomes corresponding to them.
2. **Materiality**: focus only on outcomes that are significant and that would affect decisions.

AfriFOODlinks examples:

3. Nutrition: improved dietary diversity, increased access to affordable safe food.
4. Circularity: food waste reduction, upcycling of by-products, emissions avoided.
5. Socio-economic: jobs created (women/youth), improved supplier incomes, enterprise stability.

iii. Note assumptions and risks

6. Identify the key activities/outputs of the business or investment, and select 3-5 material outcomes corresponding to them.
7. Identify risks or unintended effects if relevant (e.g. higher prices might reduce access for vulnerable groups).

Output of Stage 2:

- Partially completed **Social Value Map**, with Stages 1 and 2 complete, using the tool provided by Social Value International.
- A short **note on assumptions and risks.**

Stage 3 — Evidence Outcomes and Give Them a Value

In Stage 3, you identify **how each selected outcome will be measured and assign a financial proxy to estimate its value**. This allows you to compare different types of outcomes (e.g. nutrition, waste, jobs) on a common monetary scale.

i. Define indicators and forecast outcomes

8. For each outcome in your Social Value Map, choose a **clear, measurable indicator**.
9. Forecast the **annual quantity** of each indicator over the chosen time period (3–5 years).
10. If the outcome is related to an ongoing activity, **use existing data** for your indicators from existing sources and use that information to forecast outcomes.
11. Note the **data source:** enterprise records, city statistics, survey estimates, expert judgment.

AfriFOODlinks examples:

12. **Nutrition**: number of additional healthy meals served per year.
13. **Circularity**: tonnes of organic waste diverted from landfill per year.
14. **Jobs**: net FTEs created (women/youth share) per year.
15. **Climate**: tonnes of CO_2e emissions avoided per year.

ii. Specify duration & timing of outcomes

16. **Duration** (years): How long does the outcome reasonably persist? ***Examples***: a job created may last 3 years; school-meal quality improvements may recur annually; a one-off training effect may persist 1–2 years.
17. **Start year / ramp-up:** Does the outcome start immediately (Year 1) or after a lag? Does it ramp up over time?
18. **One-off vs recurring**: Identify outcomes that are recurring each year (e.g., meals served, waste diverted) vs one-off (e.g., initial training effect).

iii. Putting a value on the outcome: Select financial proxies

- A **financial proxy** is an approximate monetary value that represents the benefit of an outcome. Proxies should be transparent, conservative, and locally relevant where possible.

- If no local proxy exists, use **credible international benchmarks** (e.g. WHO, FAO, World Bank) and state the limitation. Most credible proxies have already been developed and used before, and a simple desk research can help you find them.
- Consult the owners of the business or investment cases, as well as other **stakeholders** (such as beneficiaries or clients) to establish the financial value of the outcomes.

Examples of financial proxies for **AfriFOODlinks** outcomes:

19. **Nutrition:** value uplift per healthier meal; avoided health costs; willingness-to-pay for safe food.
20. **Circularity:** avoided landfill fees; value of compost/animal feed; social cost of carbon per tonne CO_2e avoided.
21. **Jobs/income:** net income uplift per FTE; reduced seasonal fluctuation; stable contracts for women/youth.
22. **Other social outcomes:** reduced absenteeism at school/work; time saved.

Output of Stage 3

An **extended Social Value Map** that now includes indicators, forecasts, proxies and duration/timing, with columns G to P complete.

An example of how this should appear can be found below for an **SME providing locally sourced,** nutritious meals, using circular practices (e.g. food waste recovery, biodegradable packaging), and with a strong focus on employing women and youth:

Table 2: Stage 3 – Outcomes and Financial Proxies, in the Example Extended Impact Map

Stakeholder	Outcome	Indicator	Source for indicator	Quantity (forecast per year)	Financial Proxy (What proxy would you use to value the change?)	Value of change (€/unit)	Source for financial proxy	Duration (yrs)	Start Year
Consumers (local households & schoolchildren)	Improved access to nutritious, locally sourced meals	# of additional healthy meals sold/served	Enterprise sales records; school programme data	50,000	Value uplift per meal (reflecting improved nutrition)	€0.60	Local nutrition programme data; WTP survey	3	1
Employees (women & youth)	Increased income and skills	Net FTE jobs created (60% women/youth)	Enterprise HR records	20	Net income uplift per FTE	€1,800	National wage statistics	3	1
Smallholder farmers	More stable demand & better prices	# of supplier contracts secured	Supplier contracts; cooperative records	30	Annual uplift per supplier (contract vs. spot market)	€200	Cooperative purchasing data	3	1
City waste services	Reduced organic waste to landfill	Tonnes of food waste diverted	Enterprise waste logs; municipal waste reports	100	Avoided landfill fee per tonne	€40	Municipal tariff schedule	5	1
Community / environment	Reduced CO_2 emissions from circular practices	Tonnes CO_2e avoided	Energy/waste diversion records	150	Social cost of carbon (per tonne CO_2e)	€50	IPCC / SCC reference	5	1

Stage 4 — Establish Impact

The purpose of this stage is to **ensure the analysis is credible and conservative**, by recognising that not all of the observed change is solely due to the enterprise or initiative.

i. Apply the four SROI adjustments

1. **Deadweight (DW)**
   - Definition: the % of the outcome that would have happened anyway due to broader processes, without the enterprise's activity.
   - Example: If 20% of households would have improved nutrition regardless, set DW = 20%.
2. **Attribution (ATTR)**
   - Definition: Similar to deadweight but more precise, it accounts for the % of the outcome due to other organizations or people.
   - Example: If another NGO programme contributed significantly to nutrition improvements, set ATTR = 30%.
3. **Displacement (DISP)**
   - Definition: the % of the outcome that simply displaces or replaces other benefits elsewhere.
   - Not applicable to all outcomes and SROI analyses.
   - Example: If jobs created in one enterprise caused job losses in another, set displacement accordingly, e.g. DISP = 10%.
4. **Drop-off (DROP)**
   - Definition: the % decline in the outcome's value each year after the first, within the chosen duration.
   - Calculated by deducting a fixed percentage from the remaining level of outcome at the end of each year.
   - Example: If training effects weaken by 20% annually, set DROP = 20%.

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Remember that the AfriFOODlinks SROI is a simplified, ex-ante tool. **Do not spend excessive time searching for perfect data when establishing impact**. The purpose is to help organisations better understand and manage their impact, and to express it in financial terms that can support engagement with donors, investors, and city partners for upscaling. **Financial proxies and SROI adjustments are informed estimates**: they should be transparent and as accurate as possible, but they will not be 100% precise. What matters most is clarity, consistency, and credibility in the way assumptions are presented.

ii. How to apply

- For each outcome in your Social Value Map:
  `Adjusted Value = (Quantity × Proxy) × (1 − DW) × (1 − ATTR) × (1 − DISP).`
  Conduct this calculation yearly and apply DROP in later years if the outcome lasts more than one year.
- The Social Value International's Social Value Map template performs this calculation automatically.
- Keep ranges conservative. Typical values used in simplified ex-ante analyses:
  - Deadweight: 10–30%
  - Attribution: 20–50%
  - Displacement: 0–10%
  - Drop-off: 0–15%

iii. Document assumptions

- Provide a short explanation for each adjustment, citing evidence where possible.
- If evidence is weak, explain the logic used (e.g., "used national programme coverage as a proxy for deadweight").

Output of Stage 4

An **Adjusted Outcomes Table** in your **Social Value Map.** showing the corrected values per outcome. See the example below (continuing from Stage 3):

Adjusted Outcomes Table

Outcome	Gross Value (€)	Deadweight (%)	Attribution (%)	Displace-ment (%)	Duration (yrs)	Drop-off (%)	Adjusted Value (Year 1)	Adjusted Value (Year 2...)
Nutritious meals	30,000	20%	20%	0%	3	0%	19,200	(continue until the last year in the timeframe)
Jobs for women/ youth	36,000	10%	30%	0%	3	10%	22,680	
Supplier stability	6,000	20%	20%	0%	3	0%	3,840	
Waste diverted	4,000	0%	10%	0%	5	0%	3,600	
Emissions avoided	7,500	0%	20%	0%	5	0%	6,000	

Explanation for adjustments for outcome "Jobs for women/ youth" (for the AfriFOODlinks SROI, you are not required to provide these explanations) **:**

- Deadweight (DW = 10%): Some job opportunities would have been created even without this enterprise, for example through other local businesses. We estimate 10% would have happened anyway.
- Attribution (ATTR = 30%): Other actors (e.g. a government youth employment programme and an NGO skills training initiative) also contribute to improved employability. We attribute 30% of the outcome to these external efforts.
- Displacement (DISP = 0%): The jobs created are new positions linked to enterprise growth, not replacements for jobs lost elsewhere. Therefore, displacement is assumed to be 0%.
- Drop-off (DROP = 10%): Employment benefits may weaken slightly over time, for example if turnover increases or jobs are not sustained. A 10% annual drop-off is applied after the first year.

Stage 5 —Calculating the SROI

At this stage, you bring together the adjusted outcome values, discount them to present value, and compare them with the investment made. The result is expressed as a ratio of benefits to investment.

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The Social Value International's **Social Value Map** template calculates the below financial indicators automatically, given that you have adequately added the data on inputs/investments, the outcomes and their financial value, and the adjustments. The details below serve to explain the logic behind the calculations.

i. Aggregate adjusted benefits

- From Stage 4, sum the **adjusted value** of all outcomes for each year.
- If you included **duration and drop-off**, carry the benefits across multiple years and consolidate the total value over this timeframe.

ii. Calculate the Discounted Value per year

- Apply a **discount rate** to reflect the time value of money.
  - Where available, you may use the country's key policy rate or benchmark lending rate as a base for calculating the discount rate. Adjust upward modestly for risk or sector-specific uncertainty (+2-4 pp). State your chosen rate and rationale.

- The Social Value International's **Social Value Map** template does this calculation automatically. The formula is:

$$DV = \frac{Value\ of\ Impact\ in\ Year\ N}{(1+r)^N}$$

where *N* = year and *r* = discount rate.

iii. Calculate the Total Present Value of Benefits

- Sum the *Discounted Values* across all outcomes and years to reach the **Total Present Value of Benefits** for all outcomes of the project over its entire timeframe.

iv. Calculate the Total Net Present Value and the

- **Investment costs**: Include both capital expenditures (CAPEX) and operating costs (OPEX) needed to run the initiative over the timeframe.
  - **Discounting:** Considering investments take place over a multi-year timeframe, apply the same **real discount rate** to both CAPEX and OPEX to calculate their present value, ensuring comparability with benefits.
  - ***Note***: For simplicity, forecast OPEX in today's prices (real terms). The real discount rate already accounts for the time value of money, so there is no need to adjust for inflation separately.
- **Net present value (NPV):**

$$NPV = [Total\ present\ value\ of\ benefits] - [Present\ Value\ of\ Investments]$$

  - ***Note***: For simplicity, forecast OPEX in today's prices (real terms). The real discount rate already accounts for the time value of money, so there is no need to adjust for inflation separately.

iv. Calculate the SROI ratio

- **Formula:**

$$SROI\ ratio = \frac{Total\ PV\ Benefits}{Total\ PV\ Investment}$$

- **Interpretation**: If SROI = 1.89, it means that there was a 89% social return on investment, or, in other words, that for every €1 invested, €1.89 of social, environmental, and economic value is created.

Intermediary output - Stage 5

Calculating Social Return							
Discount rate = 15%							
Ouctome	**Adjusted value (Y1) (€)**	**PV Year 1** (after activity, incl. discount rate)	**PV Year 2**	**PV Year 3**	**Year 4**	**Year 5**	**Total PV (Y1-5) (€)**
Nutritious meals	19 200	16 696	14 517	12 624	0	0	43 838
Jobs for women/ youth (incl. 10% DROP after Year 2)	22 680	19 721	15 434 (R + DROP)	12 079	0	0	47 235
Supplier stability	3 840	3 339	2 904	2 524	0	0	8 768
Waste diverted	3 600	3 130	2 722	2 367	2 058	1 790	12 068
Emissions avoided	6 000	5 217	4 537	3 945	3 430	2 983	20 113
Total Present Value (PV) of Benefits: € 132 021							
Total Present Value of Investment : € 60 000							
SROI Ratio or Social Return (€ per €): € 2.20 : € 1, or 120%							

v. Sensitivity analysis

- Because SROI relies on estimates and assumptions, it is good practice to test how sensitive your results are to changes in those assumptions. This helps demonstrate the robustness and credibility of your estimates to donors and investors.
- Produce a **range of scenarios** by adjusting key assumptions on the Social Value Map template:
  - **Low scenario**: increase deadweight and attribution, reduce quantities or proxy values.
  - **High scenario**: use optimistic but still reasonable values.
  - **Base scenario**: your most realistic assumptions.
- If results remain significant, (SROI >> 1) even under conservative assumptions, the case can be seen as robust.

Output of Stage 5

A clear SROI summary table and a headline statement. Example:

Scenario	PV Benefits (€)	PV Investment (€)	SROI Ratio / %
Low	96,000	60,000	1.6 : 1 / 60%
Base	132,000	60,000	2.2 : 1 / 120%
High	180,000	60,000	3 : 1 / 200%

Headline statement:

For every €1 invested, the enterprise is forecast to generate between €1.60 and €3.00 in combined nutritional, social, environmental, and economic value.

Stage 6 — Report, Use, and Embed

This final stage focuses on communicating and using your SROI results effectively. The goal is not only to show numbers but also to build understanding, transparency, and learning within your organisation and among partners.

i. Report clearly and transparently

- Present key assumptions, data sources, and limitations.
- Include your SROI range (low/base/high) rather than a single figure.
- Use visuals (tables or simple graphs) to show how value is created.

ii. Use results strategically

- Integrate findings into business planning and funding proposals.
- Share with city officials, investors, and partners to demonstrate impact and strengthen cases for upscaling.
- Identify which outcomes can be improved or scaled for greater value.

ii. Embed learning

- Keep a simple record of methods, proxies, and assumptions for future updates.
- Plan to revisit the analysis after 12 months or once better data is available.
- Encourage feedback from enterprise owners and focal points to refine the approach.

Output of Stage 6

A **short SROI summary** (1–2 pages) highlighting:

- Headline SROI range (e.g. "*For every €1 invested, the enterprise is forecast to generate between €2.30 and €3.70 in combined nutritional, social, environmental, and economic value.*")
- Main outcomes driving value.
- Key assumptions and limitations.
- Short reflection on how results will be used.

AfriFOODlinks

For AfriFOODlinks, this summary should be included as an integral part of the Business Case. The remaining outputs of the SROI analysis, as well the related calculations and spreadsheets, should be added as annexes.

Annex IV - Tools for Leveraging Business and Investment Cases

This annex provides an overview of tools that can be used to transform business and investment cases into clear, audience-ready formats. These tools help translate technical data into structured and accessible outputs that resonate with different stakeholders. This list is not exhaustive and the tools are not mutually exclusive: some cases may be best communicated through one tool, while others may require several.

Choosing the Right Tool

Audience & Context	Most Relevant Tools	Purpose
Investors & financiers (fundraising meetings, pitch events, loan/grant applications)	Pitch Deck, One-Page Brief	Quick overview of opportunity, financial needs, and expected returns.
City officials & policymakers (policy dialogues, urban planning processes, donor coordination)	Theory of Change, Model C	Show causal pathways, social/environmental impact, and policy relevance.
Entrepreneurs & incubators (capacity building, acceleration programmes, knowledge exchange)	Business Model Canvas	Share business logic, operations, and opportunities for innovation/replica.
Mixed audiences (multi-stakeholder events, public forums, AfriFOODlinks showcases)	Combination of tools	Provide both a concise snapshot and a persuasive presentation

1. Business Model Canvas

The **Business Model Canvas** is a visual chart that maps how a business works. It breaks down an enterprise into key components, showing how it creates value, who it serves, and how it sustains itself financially.

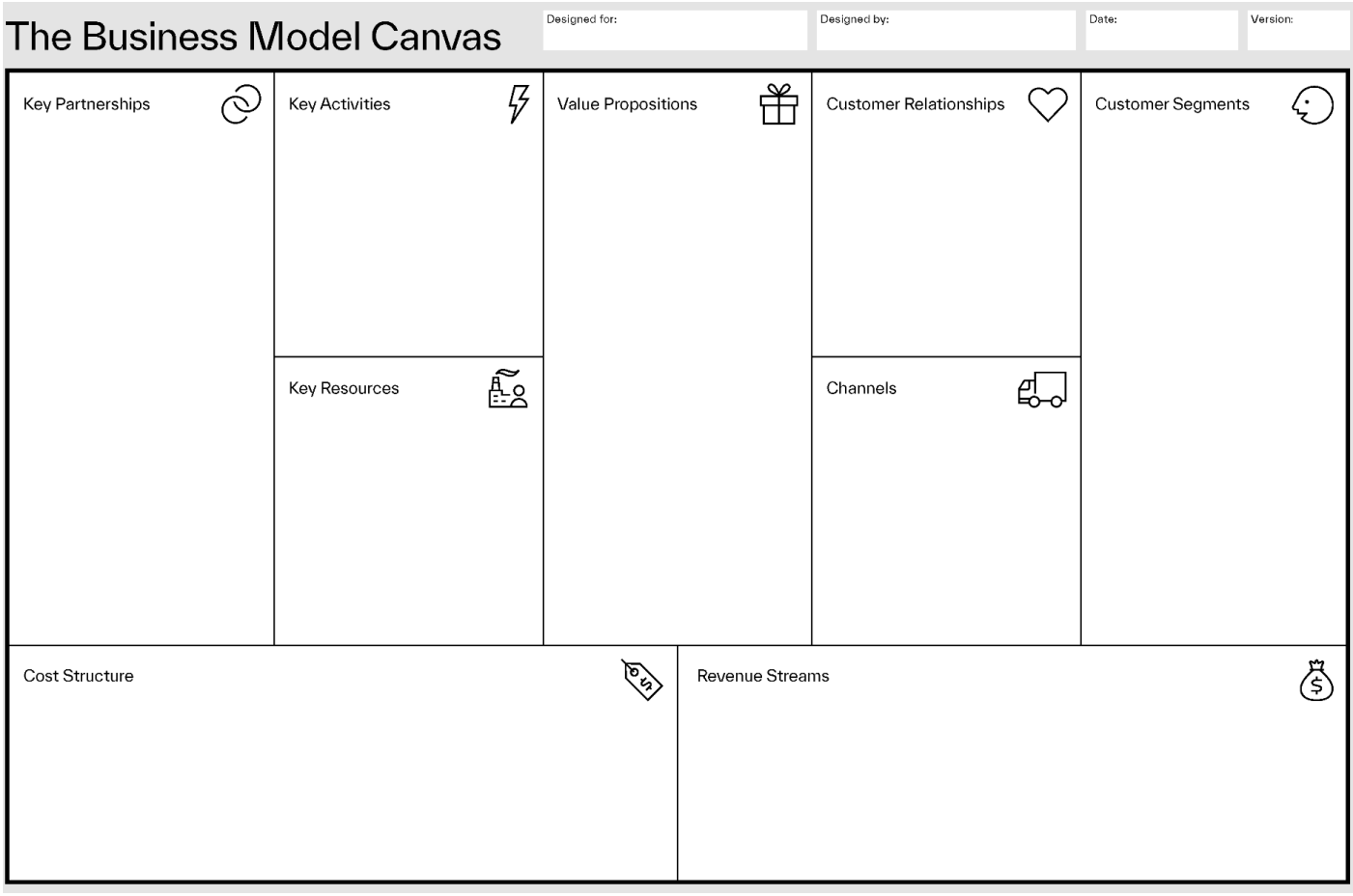
Purpose: A concise framework to describe and analyse how an enterprise creates, delivers, and captures value. Widely recognised by investors, incubators, and accelerators.

AfriFOODlinks emphasis:

- Under *Value Proposition*, highlight **nutritional, climate, and social benefits** (e.g. affordable, nutrient-rich food)
- Under *Key Activities/Resources*, highlight **circular practices** (e.g. reuse of by-products, regenerative sourcing).

When to use: Early discussions with incubators, impact investors, or accelerators who want to quickly understand the business model.

Figure X : Business Model Canvas



Source: Strategyzer.com

Varieties for social businesses: Adapted versions of the tool exist for social enterprises, where elements such as **beneficiaries, social/environmental value creation, and impact metrics** are explicitly included alongside financial flows. These can be particularly relevant for AfriFOODlinks cases.

2. Theory of Change

A Theory of Change is a visual map that explains how and why an initiative works. It lays out the logical pathway from activities to outcomes and impacts, making assumptions explicit.

Purpose: A logic map showing how an enterprise or initiative's activities are expected to produce outputs, outcomes, and long-term impacts. Helps funders and policymakers see the "big picture."

Structure:

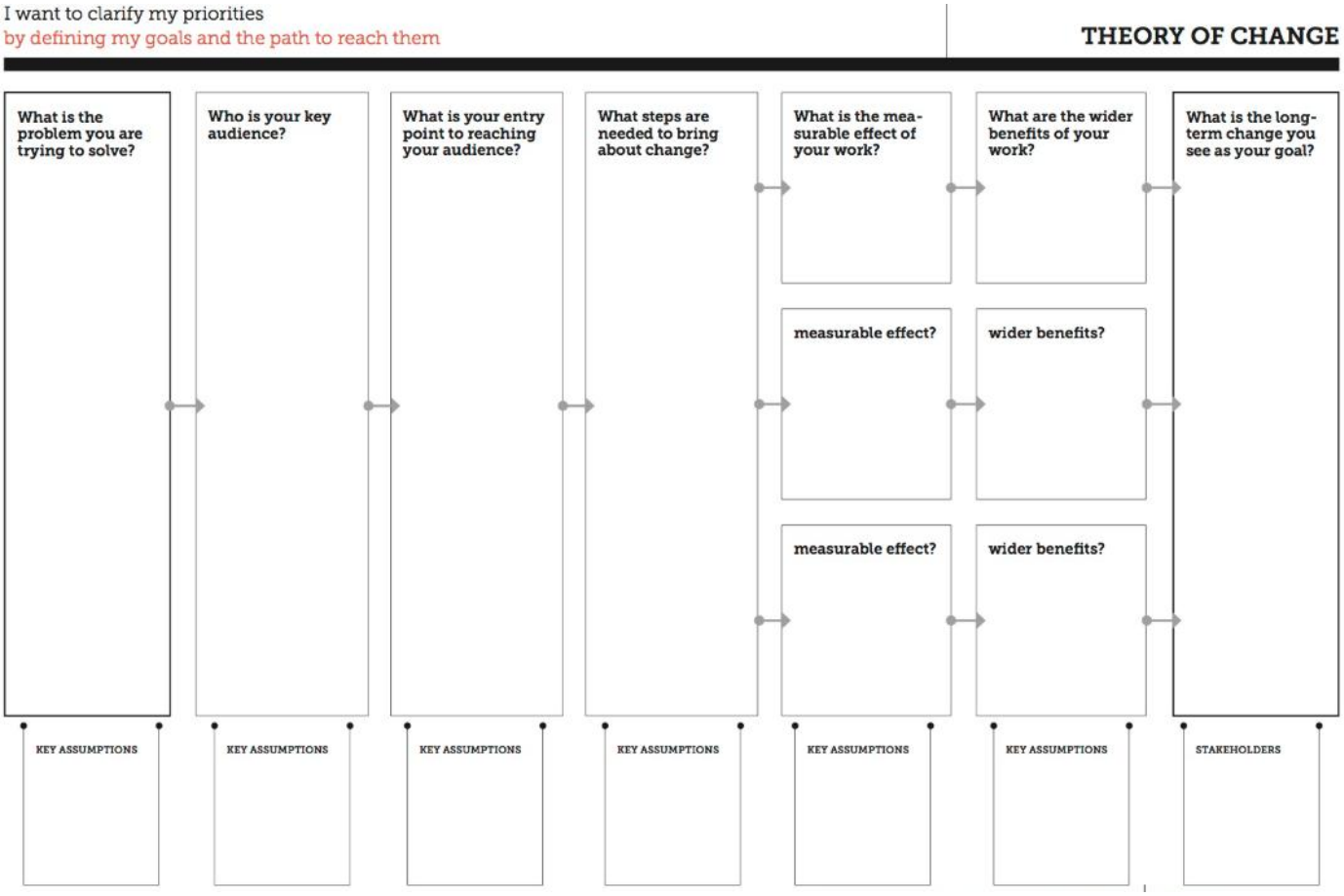
- Inputs - Activities - Outputs – Outcomes - Impacts
- Include assumptions and external factors that influence results.

AfriFOODlinks emphasis:

- Link activities to outcomes such as improved nutrition, waste reduction, job creation, gender inclusion.
- Be explicit about assumptions (e.g. "if consumers are willing to adopt healthier diets").

When to use: With development partners, policymakers, or donors who want to see the impact logic behind an initiative.

Example template (please note that ToC is a method, not a tool, so multiple templates can be used):



Source: Development Impact & You.

3. Model C 2.0

Model C is a **framework designed specifically for impact businesses**. It helps integrate a business's **commercial logic** with its **social and environmental impact**, providing a structured way to reflect on purpose, strategy, and operations. It goes beyond financial sustainability to ensure that positive transformations are embedded in the business model.

Purpose: To support the assessment, design, and management of businesses that aim to generate social and environmental impact alongside financial returns. It is particularly useful for aligning teams, engaging stakeholders, and communicating both commercial and impact flows in an integrated manner.

Structure (5 core dimensions):

1. Impact Flow – social/environmental challenges addressed, target groups, intended transformations.
2. Commercial Flow – market opportunity, clients, value proposition, financial ambition.
3. Operational Capacity – key activities, infrastructure, sales/distribution channels, team, partners.
4. Strategic Management – metrics, monitoring, governance, decision-making.
5. Integration & Risk Analysis – coherence between impact and business logic, and identification of risks to sustainability.

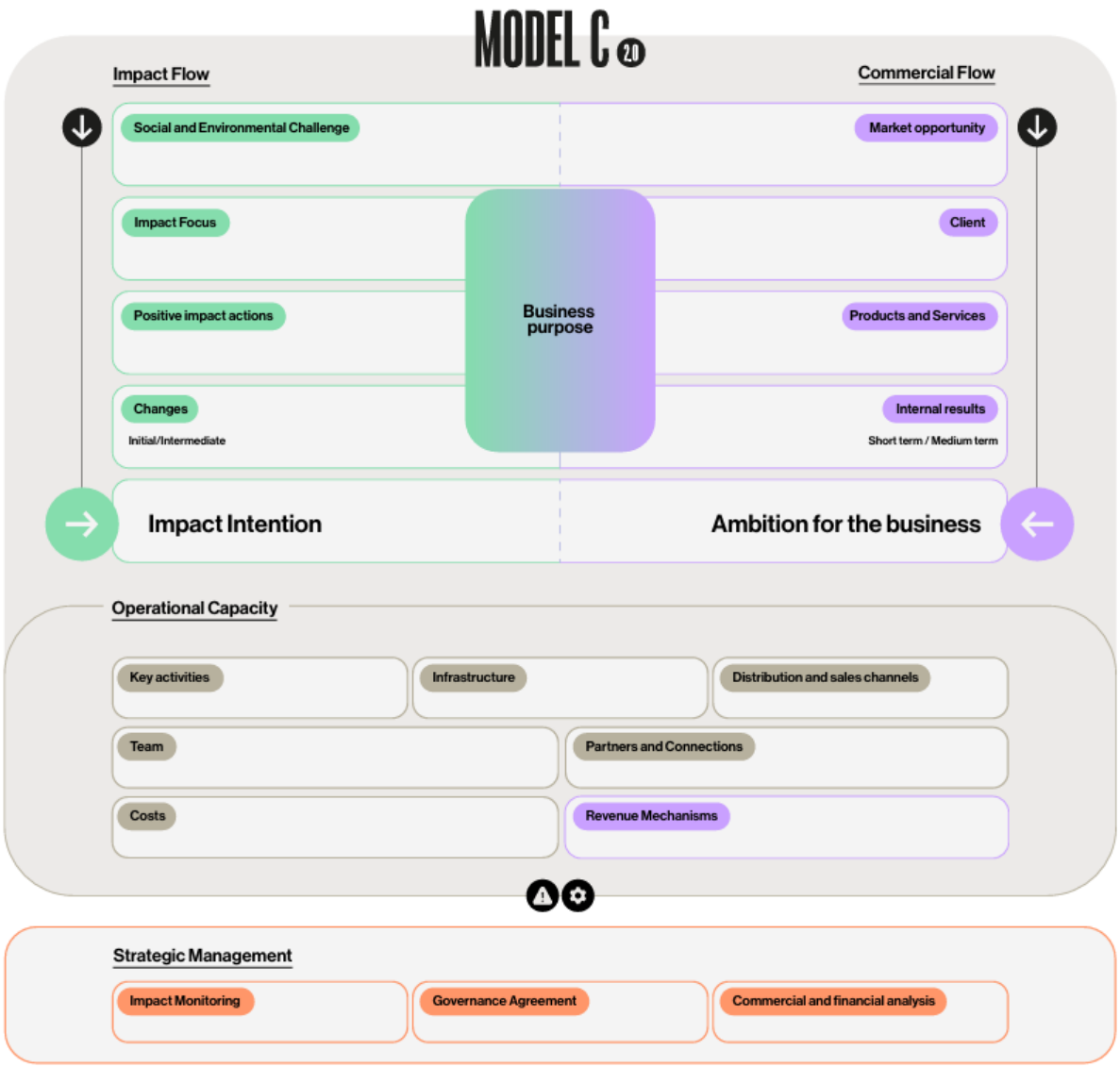
AfriFOODlinks emphasis:

- Highlight nutrition outcomes (e.g. affordable healthy diets, school meals) under *Impact Flow*.
- Integrate circularity practices (reduce, reuse, regenerate, recover) under *Operational Capacity* and *Commercial Flow*.
- Use SDG alignment to connect business impact with global and city-level priorities.

When to use:

- With impact investors, DFIs, and incubators who want a detailed picture of how business and impact fit together.
- In multi-stakeholder settings where enterprises need to show both financial viability and social/environmental responsibility.

Model C was first created in Brazil (2016) by a coalition of organisations working with social enterprises, and has since been updated (Model C v2.0, 2025). You can access a guide on how to use it on the developers website: https://www.cmodel.co/.


MODEL C 2.0
Impact Flow
Commercial Flow
Social and Environmental Challenge
Market opportunity
Impact Focus
Client
Business purpose
Positive impact actions
Products and Services
Changes
Initial/Intermediate
Internal results
Short term / Medium term
Impact Intention
Ambition for the business
Operational Capacity
Key activities
Infrastructure
Distribution and sales channels
Team
Partners and Connections
Costs
Revenue Mechanisms
Strategic Management
Impact Monitoring
Governance Agreement
Commercial and financial analysis

4. Pitch Deck

Purpose: A short, visual presentation (6–10 slides) designed to capture investor attention quickly. More storytelling-oriented than other tools.

Typical structure:

1. Problem Statement (nutrition or sustainability challenge)
2. Solution (the enterprise/initiative)
3. Market opportunity (demand, size, trends)
4. Business model (how the enterprise works financially)
5. Status & Milestones (achievements so far, e.g. number of customers, partnerships)
6. Impact (nutrition, circularity, SROI highlights)
7. Investment "ask" (capital needed, purpose, expected returns)

AfriFOODlinks emphasis:

- Always include impact metrics (jobs created, waste reduced, nutrition improved) alongside financial performance.
- Use visuals (charts, photos, icons) to make the case engaging.

When to use: In investor meetings, pitch events, or showcases where attention is limited.

5. One- or Two-Page Brief

Purpose: A concise written document (max. one page) that captures the essence of the business or initiative. Ideal as a handout or "door-opener" for first contacts.

Typical structure:

- Overview: name, location, sector, ownership.
- Problem: what food system challenge the initiative addresses.
- Solution/Innovation: what the enterprise does differently.
- Key impacts: nutrition, circularity, gender inclusion, SROI headline.
- Investment needs: how much is needed, for what purpose, and expected outcomes.
- Contact details.

AfriFOODlinks emphasis:

- Keep language simple and accessible.
- Use infographics or icons to highlight nutrition/circularity impacts.

When to use: As a leave-behind document for investors, city officials, or partners.