DFID FoodTrade East & Southern Africa

Evaluation Management Unit

EVIDENCE SYNTHESIS STUDY

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Results in development

FoodTrade East & Southern Africa Evidence Synthesis Study

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Acronyms

AAW	Africa Agribusiness Window
AECF	African Enterprise Challenge Fund
AgDevCo	Africa Agricultural Development Company
B2B	Business-to-business
COMESA	Common Market for Eastern and Southern Africa
CSTHR	COMESA Seed Trade Harmonisation Regulations
DFID	Department for International Development (UK)
EAGC	Eastern African Grain Council
EATIH	East Africa Trade and Investment Hub
ECA	Empresa de Comercialização Agricola Lda
FPEAK	Fresh Produce Exporters Association of Kenya
FTESA	FoodTrade East & Southern Africa
GAP	Good Agricultural Practices
M4P	Making Markets Work for the Poor
MADE	Market Development in the North of Ghana Programme
MATEP	Market Access, Trade and Enabling Policies
MTE	Mid-term evaluation
NMC	National Monitoring Committee
NTB	Non-tariff barrier to trade
PCR	Project Completion Report
PHH	Post-harvest handling
PPD	Public-Private Dialogue
Propcom	Promoting Pro-Poor Opportunities through Commodity and Service Markets
PSO	Private Sector Organisation
SADC	Southern African Development Community
SATIH	Southern Africa Trade and Investment Hub
SOPAG	Soya Policy Action Group
TMEA	TradeMark East Africa
VAC	Village Aggregation Centre
VFM	Value for money
WAFM	West Africa Food Markets
WBG	World Bank Group
WRS	Warehouse receipt system

Executive summary

This synthesis study has been commissioned by DFID to inform the design of the new **FoodTrade and Resilience Programme**. It provides lessons on what works, drawing on evidence from the **FoodTrade East & Southern Africa (FTESA)** and **West Africa Food Markets (WAFM)** programmes, other similar programmes and wider secondary literature.

The focus for the synthesis is on the following areas:

1. Emerging evidence of **benefits to smallholder farmers'** participating in more **structured trade** (access to quality inputs, services, sometimes finance, market information, guaranteed off takers agreement).
2. Emerging evidence of the benefits to **local businesses** (aggregation and primary processing) of **trading regionally.**
3. Emerging evidence of the success of **business-led advocacy** (supported by **political economy analysis**) on **cross border trade barriers**
4. Any emerging evidence from **increased availability of quality seeds** due to **regional variety catalogue.**
5. Emerging evidence of **Value for Money (VfM)** of different **project components and approaches/ interventions**.

The programmes chosen for this synthesis were purposefully sampled for their similarities to the FTESA Programme: benefiting smallholder farmers and promoting structured trade in sub-Saharan Africa through different models and mechanisms, including Making Markets Work for the Poor (M4P) programmes and Challenge Funds.

The synthesis compared programme activities and outputs, and traced the resulting outcomes and impacts. Commonalities between programmes were drawn out to determine what aspects of design and context were most likely to lead to the desired results. This process resulted in the following key findings:

Key findings:

1. Access to services such as a WRS and virtual market places can improve farmers access to credit and lead to increases in profit, but they are often slow to set up and beset by regulatory constraints, and require careful sequencing of events; more traditional buyer-seller relationships can be just as beneficial to smallholders, if not more so in some cases.
2. Local firms can benefit from engaging in cross-border trade, but benefits can be more assured: if financial and technical support is provided; if they have a large buyer committed to purchasing from them; and if there are complementary measures to target policy constraints.
3. In sub-Saharan Africa, good state-business relations and channels for the private sector to influence policy (for example, PPDs) are very closely correlated with influencing and achieving private sector friendly reforms. There is also evidence PPDs can represent good Value for Money.
4. Regional seed variety catalogues have not yet evidenced their ability to increase the supply of quality seeds.
5. Of programmes reviewed here, no one type of programme (e.g. Challenge Funds, Re-deployable investment, M4P programme) was more efficient than another; Challenge Funds (FTESA and AECF) seem to be more effective at leveraging private sector investment when compared to other programme mechanisms. Of FTESA grants, grants targeting post-harvest and aggregation are the most efficient, whereas grants targeting the entire value chain are the most effective.

1. Introduction

1.1. Purpose of the synthesis study

This synthesis study has been commissioned by DFID to inform the design of the new FoodTrade and Resilience Programme. It provides lessons on what works ('emerging evidence') drawing on evidence from the FoodTrade East & Southern Africa (FTESA) and West Africa Food Markets (WAFM) programmes, other similar programmes and wider secondary literature. The focus for the synthesis is on the following areas:

1. Emerging evidence of benefits to smallholder farmers' participating in more structured trade (access to quality inputs, services, sometimes finance, market information, guaranteed off takers agreement)
2. Emerging evidence of the benefits to local businesses (aggregation and primary processing) of trading regionally
3. Emerging evidence of the success of business-led advocacy (supported by political economy [PEA] analysis) on cross border trade barriers
4. Any emerging evidence from increased availability of quality seeds due to regional variety catalogue. (Itad notes that answering this question will be reliant on the availability of data in FTESA PMU documents.)
5. Emerging evidence of Value for Money (VfM) of different project components and approaches/ interventions.

1.2. Methodology

Data sources for the synthesis include FTESA PMU and grantee reports (e.g. quarterly and annual reports) and FTESA evaluation reports (e.g. Policy Dialogue and Influencing Study); WAFM reports and field notes; an updated review of literature, including evaluations of other, similar DFID programmes (e.g. AgDevCo, Propcom Mai-karfi, G-Made, and Trademark East Africa) and non-DFID programmes (e.g. USAID East Africa Trade and Investment Hub and Southern Africa Trade and Investment Hub). To avoid duplication, we have **not** included the references from the FoodTrade and Resilience business case.

1.2.1 Sampling

The programmes chosen were purposefully sampled for their similarities to FTESA, for example: benefiting smallholder farmers and promoting structured trade in sub-Saharan Africa through different models and mechanisms, including Making Markets Work for the Poor (M4P) programmes and Challenge Funds.

1.2.2 Limitations

This report is not a systematic review. Its scope is limited to available evidence produced by the programmes listed below, namely programme progress reports (e.g. annual and quarterly reports) and DFID annual reviews, as well as supplementary secondary literature. No interviews took place, although we requested and received some updated information from the PMU. In some cases, the reports available do not include the level of detail required to trace causality from inputs to outcomes and impact, and to understand the main contributing factors in achieving change. Also, recent data/evaluations of some programmes (such as the USAID trade and investment hubs) are not publicly available hence we relied on earlier evaluations. There are also limitations when making comparisons between programmes, due to differences in context, intervention models and how they record results. Finally, section 3.5 on Value for Money (VfM) relies on a categorisation of grants that requires checking with the PMU, and possibly DFID.

1.3. Report structure

This report is organised by the five focus areas. For each we discuss aspects of the programme interventions (e.g. activities and outputs), and then the subsequent results achieved (outcomes and impact). In each section we also include evidence from the wider literature. A table of collated evidence and the list of sources consulted are included in the Annexes.

2. Background on projects/programmes

- **FoodTrade East & Southern Africa (FTESA):** a five-year (2013-2018) regional programme funded by DFID UK (£36 million) to support food staples market development and trade by tackling market failures. FTESA aims to catalyse lasting changes that enable efficient trade in staple foods across the region to improve the lives of farmers, suppliers, service providers, traders, retailers, and consumers, contributing to price and market stability for staple foods in the region. Using the M4P approach, FTESA looks at the region as potentially one market system, and facilitates changes within the sub-market systems to contribute to the overall effective functioning of the ESA staple food market system. The programme works with the private sector and relevant institutions to tackle a constraining set of market failures. FTESA has two delivery mechanisms, a Challenge Fund and a Development Fund, providing grants to a range of different projects employing several types of intervention models, as well as other activities such as policy influencing.
    - This programme is relevant to all five of the focus areas of this synthesis.
- **West Africa Food Markets (WAFM):** a six-year (2013-2019), £15.1 million DFID-funded programme, WAFM aims to tackle multiple failures in staple food markets in the region, thereby increasing income levels and food security for producers and consumers (e.g. directly through higher incomes or indirectly through more stable and lower prices). WAFM aims to do this by identifying opportunities to invest in private sector-led market development initiatives across the region, providing support to facilitate the success of these initiatives and leverage successful innovations to reform policy and encourage further development through replication. WAFM aims to address trade challenges in the region and facilitate changes within key sub-sectors to strengthen the functioning of the staple food market system across the region. WAFM has two delivery mechanisms: a Challenge Fund and a Policy Facility, providing grants to projects employing different types of intervention models.
    - This programme is relevant to focus areas 1, 2, 3 and 5 of this synthesis.
- **Africa Agricultural Development Company (AgDevCo):** the new, extended, Business Case was approved by DFID in July 2016, for £97.8 million of re-deployable capital. AgDevCo is a UK based investor and project developer focused exclusively on early stage agribusiness in sub-Saharan Africa. AgDevCo's investment objective is to build profitable businesses that contribute to food security, drive economic growth and create jobs.
    - This programme is relevant to focus areas 1, 2 and 5 of this synthesis.
- **TradeMark East Africa (TMEA):** With a budget of over $500m, funded by DFID and other development partners, TMEA (2010-2017) aims to increase physical access to markets, enhance the trading environment and improve business competitiveness. TMEA activities relevant for this study include: support to reporting and monitoring non-tariff barriers to trade (NTBs); support to private sector organisations advocacy on trade issues; and support to standards, nationally and regionally.
    - This programme is relevant to focus areas 2, 3 and 5 of this synthesis.
- **Promoting Pro-Poor Opportunities through Commodity and Service Markets (Propcom) Mai-karfi Programme (PMk):** a five year (2013-2018), £27 million DFID-funded agriculture M4P programme in Northern Nigeria. Propcom Mai-karfi is expected to work in at least 8 different markets or sectors, including agricultural inputs and agricultural mechanisation, and electronic warehouse receipt system (WRS).
    - This programme is relevant to focus areas 1 and 5 of this synthesis.
- **African Enterprise Challenge Fund (AECF) Africa Agribusiness Window (AAW):** AECF is a US$245m Challenge Fund for the benefit of rural households in Africa, established in 2008. The Fund provides support to the private sector for new and innovative business ideas in agribusiness, rural financial services and renewable energy/adaptation to climate change that will benefit Africa's small farmers and rural households. It aims to help business scale up.
    - This programme is relevant to focus area 5 of this synthesis.

- **Market Development in the North of Ghana (MADE) Programme:** seeks to contribute to improving the incomes and resilience of poor farmers and small-scale rural entrepreneurs in the Northern Savannah region of Ghana through improving the way that markets work across four agricultural value chains (currently, rice, onions, groundnuts, and vegetables and chillies), employing an M4P approach.
    - This programme is relevant to focus areas 1 and 5 of this synthesis.
- **The East Africa Trade and Investment Hub (EATIH)[1]:** EATIH is a USAID-funded programme designed to boost trade and investment with and within East Africa by deepening regional integration, increasing the competitiveness of select regional agricultural value chains, promoting two-way trade with the United States and facilitating investment and technology to drive trade growth intra-regionally and to global markets.
    - This programme is relevant to focus areas 1, 2 and 3
- **Southern Africa Trade and Investment Hub (SATIH)[2]:** The key objective of the USD $48.6 million USAID-funded SATIH project is to increase international competitiveness, intra-regional trade and food security in Southern Africa. Its key objectives are to increase international competitiveness, intra-regional trade and food security in Southern Africa.
    - This programme is relevant to focus areas 1 to 4.

[1] Previously the East Africa Trade Hub (EATH)

[2] Previously the Southern East Africa Trade Hub (SATH)

The table below outlines areas/components covered by each programme (and grants relevant to this study[3], in the case of FTESA).

Programme	Grant Title	New/ improved storage/ aggregation services/ facilities	Improved market information services	Improved value chain co-ordination (e.g. virtual market place)	Warehouse receipt and supplier credit	Common grades and standards	Farmer training in good agricultural practices / post-harvest handling	Access to improved inputs and services (e.g. seed, fertiliser, tractors)	Contracts / guaranteed markets for farmers and/or with off takers	Policy influencing activities (including business-led advocacy)
FTESA	EAGC II Gsoko	Yes	Yes	Yes	Yes	Yes				
FTESA	Joseph Initiative	Yes			Yes		Yes	Yes		
FTESA	Kaderes (KPD) plc	Yes			Yes		Yes	Yes	Yes	
FTESA	Raphael Group	Yes					Yes	Yes	Yes	
FTESA	Shalem	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
FTESA	Kilimo Trust	Yes			Yes	Yes	Yes	Yes	Yes	
FTESA	WFP-FTMA/PPP	Yes					Yes	Yes	Yes	
FTESA	Farm Africa	Yes	Yes		Yes				Yes	
WAFM	AFEX	Yes		Yes				Yes		
AgDevCo	-						Yes	Yes		
TMEA	-						Yes			Yes
Propcom Mai-karfi	-	Yes		Yes	Yes		Yes	Yes		
AECF	-									
MADE	-						Yes	Yes		
EATIH	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
SATIH	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

[3] We identified the most relevant FTESA grants for 'structured trade' in discussion with the PMU.

3. Focus areas: Key findings

Section 3 is organised according to the five areas of focus for the synthesis. Each sub section begins with the focus 'statement', followed by our interpretation of the question. These sections are presented in easy-to-navigate sub-headings, following the programme's causal logic.

3.1. Focus area 1: Benefits to smallholder farmers

Emerging evidence of benefits to smallholder farmers' participating in more structured trade (access to quality inputs, services, sometimes finance, market information, guaranteed off takers agreement).

Interpretation of the focus area statement: We interpret 'structured trade' to mean *"A system where farmers, traders, processors, millers, banks and others enter organized, regulated trading and financing arrangements. Elements can include postharvest management, commercial grain storage and warehousing, WRS or collateral management, commodity exchanges, the use of contracts, adherence to grades and grain standards, and a market information system"*. Therefore, we have collated evidence from programmes offering some combination of these services to smallholder farmers (FTESA, WAFM, AgDevCo, Propcom Mai-karfi, MADE, EATIH and SATIH), outlining the different intervention models, and the results achieved with respect to smallholder benefits (e.g. increased yields, sales, and incomes).

Key finding: Access to services such as a WRS and virtual market places can improve farmers access to credit and lead to increases in profit, but they are often slow to set up and beset by regulatory constraints, and require careful sequencing of events; more traditional buyer-seller relationships can be just as beneficial to smallholders, if not more so in some cases.

3.1.1 Activities and outputs

Many of the programmes offer **'the whole package'** of interventions, such as Gsoko (FTESA-funded) and AFEX (WAFM-funded).

- Within **FTESA**, numerous grantees offer some combination of farmer training, access to inputs, storage, and access to finance and other aspects of structured trade:
    - **Gsoko** is a trading platform that provides access to **65 Eastern African Grain Council (EAGC) certified warehouses and 141 village aggregation centres (VACs)**[4], access to credit through **warehouse receipts,** training and guidance in **grades and standards, market information, linked to a virtual platform for trading**.
    - **Kaderes** is a Challenge Fund grantee that provides farmers training in **good agricultural practices (GAP)** and **post-harvest handling (PHH)** using **90 lead farmers**[5], improved access to **inputs** (improved maize and bean seeds), access to a **warehouse** and a **WRS**, and **market linkages.**
    - **Raphael** is a Tanzania-based Challenge Fund grantee and off-taker and trader. Raphael has built 22 **VACs** co-owned by farmer producer groups; they have **trained 5,116 farmers on GAP**[6] using **demonstration plots**, and provided training in PHH; they have linked farmers to **agro-dealers offering inputs on credit**; and as the off-taker, they offer farmers a **minimum price** for their produce through their **contracts**.
    - **Shalem** is a Kenya-based Challenge Fund grantee: for training it uses a **'cascade model'** offering **training of trainers** on GAP and PHH including grading; they create farmer groups to enable their

[4] DAI (2017) FoodTrade East and Southern Africa Annual Report: Year 4 2016-2017
[5] Kaderes (June 2017) Q2 Quarterly Report
[6] Raphael (June 2017) Q2 Quarterly Report

collective marketing and then **contract** them; they facilitate farmers' access to finance to purchase improved **inputs on credit** and insurance products, access to **78 VACs**[7] and linkage to **EAGC-certified warehouses** including trading on the **Gsoko platform**, and access to market information through SMS.

- **Kilimo** is a Uganda-based Development Fund grantee that has formed **consortia** consisting of farmer organisations and services providers, formalised with MoUs. Kilimo is creating clusters of market actors grouped around a **lead firm**; providing **training on grades and standards to 4,165 farmers**[8]; facilitating linkages between farmer organisations and **EAGC-certified warehouses**; providing **contracts** for farmers where Kilimo guarantees farmers will be able to sell their harvest to an off-taker (e.g. **Raphael**) at an agreed price.
- **Farm Africa** is a Development Fund grantee. Farm Africa leads a consortium of NGOs who work with staple crop farmers in Tanzania and Uganda. Farm Africa works with pre-existing **farmer cooperatives**, and offers training in PHH; NGO partners are creating **grain aggregation centres** in Tanzania and Uganda; and, Farm Africa has facilitated linkages between farmer groups and 8 **EAGC-certified warehouses**[9] and **contracts** between **farmer groups and buyers**. Farm Africa also sends **market information** to all registered farmers through mobile phones. The **Gsoko system** is also installed at some of its **partner's VACs**.
- **WFP Farm to Market Alliance** (formerly known as Patient Procurement Platform) is Development Fund grantee, made up of a public-private sector led consortium of organisations seeking to transform food value chains in emerging markets. The consortium requires large off-takers to sign **Forward Delivery Contracts (FDCs)** with farmer organisations with **guaranteed minimum prices**, and WFP facilitates meetings between market actors. They have: provided farmer training in GAP to **14,712 farmers**[10] using **demonstration plots**; facilitated farmer access to quality **inputs and agro chemicals** through project partners YARA and SYNGENTA; and facilitated linkages between farmer groups and **EAGC-certified warehouses.**
- **Joseph Initiative**: farmers trained in **GAP,** improved access to **inputs, tractor services** and **loans**, all managed through its network of village-based 'Joseph Centres'.

As the table in section 2 shows, the FTESA grantees listed above all provide a similar package of services to farmers. Several of the grantees are connected, or plan to connect, to Gsoko's online trading platform for buying and selling (e.g. Shalem and Farm Africa).

- **WAFM:**
  - **AFEX** is a **commodities exchange platform** based in **Nigeria.** It enables access to inputs (fertiliser), access to AFEX-accredited **warehouses,** access to credit through an **electronic WRS**, and access to financial services through **mobile wallet accounts.**
  - **Kedan**: Kedan has **contracts** with SHF outgrowers, and provides them with fertiliser, extension services and a ready market for their harvest.
  - **Psaltry**: is implementing a cassava **outgrower programme** that includes inputs financing, an off-taker arrangement, agricultural extension services, and services to transport harvests to its starch **factory**.
- **Ghana MADE:** in the rice and onion value chains, MADE facilitates agreements between private and public-sector institutions involved in creating, supplying and/or importing seed. MADE encourages the private sector to: play a role in **training agricultural input suppliers** on GAP and **establishing demonstration plots**, and

[7] Shalem (June 2017) Q2 Quarterly Report
[8] Kilimo (June 2017) Q2 Quarterly Report
[9] Farm Africa (June 2017) Q2 Quarterly Report
[10] DAI (2017) FoodTrade East and Southern Africa Annual Report: Year 4 2016-2017

experiment with new **distribution models** for their products. MADE also stimulates market awareness and demand for new rice varieties. In addition, **MADE** is considering **a warehouse receipt scheme** specifically for onions.

- **Propcom Mai-karfi**: the Nigerian programme aims to improve access to **services** (e.g. tractors) and facilitate relationships between financial service providers and market actors. It invests in companies that are breaking bulk (repackaging large units into smaller units) who are willing to sell **inputs** to smallholder farmers in smaller packages and is **training farmers** in GAP to stimulate demand for inputs. Propcom is also establishing an **electronic WRS** with **AFEX** — the same commodity exchange platform funded by WAFM.
- **AgDevCo** funds a number of outgrower schemes which offer improved access to **inputs**, and farmers training in **Good Agricultural Practices (GAP),** and **price incentives to farmers.** AgDevCo-investee **Empresa de Comercialização Agricola Lda** (**ECA)** runs an **outgrower scheme**, and sources maize from SHF for onward sales to the **brewing industry**. ECA-contracted farmers receive inputs on credit and GAP training.
- **East Africa Trade and Investment Hub (EATIH):** EATIH developed a **WRS** in partnership with two **agricultural commodity exchanges**. EATIH worked with the **EAGC** to develop a **structured trade training programme** on topics including warehouse receipts.
- **Southern Africa Trade and Investment Hub (SATIH):** SATIH supported **WRS** in **Mozambique** and **Zambia.** In **Mozambique** this involved conducting a **risk assessment,** establishing a **steering committee,** preparing **warehouse sites,** and **negotiating with banks** for finance. The WRS was piloted at a warehouse **Cargill/ECA** (ECA is also supported by **AgDevCo**) warehouse site—Cargill has a partnership with ECA to buy maize from SHFs – either through **contracts** or on the **open market**.

3.1.2 Outcomes and impact

- **FTESA**
    - **Gsoko:** in Q3 2017, Gsoko reported 42,827 farmers accessing new or improved storage and aggregation services due to the **certification of 65 warehouses by EAGC**; staple food sales through the platform have amounted to **1,279 MT** as a result of 11 sales from Tanzania, Kenya and Uganda; farmers have witnessed an average of **32.9% improved income** as a result of sales through the platform[11]. **EAGC/Gsoko** notes that a higher volume might be traded on its platform were it not for a **government subsidy** programme in **Kenya**, and an **export ban** in **Tanzania**; in addition, they think formalising relationships with local organisations will increase the volumes in VACs. In addition, in the case of Shalem, the Gsoko WRS needs more farmer buy-in.
    - **Kaderes** has not yet operationalised its warehouse[12] and so cannot demonstrate gains for number of farmers benefiting from storage or warehouse receipts; however, they have reported their farmers benefiting from a **29.4% increase[13] in the farm gate prices** received. As reported in Q2 2017, Kaderes, through its lead farmer approach to GAP, is expecting to see farmers' yields meet expectations of 2,767 MT tons for grains; this is in contrast to Q2 2017 when 620 farmers lost up to 50% of their harvest due to flooding[14]. **Kilimo Trust** reported that it linked **Cheptarit Star Ltd**, in Kenya to Kaderes – this led to initial cross-border trade transaction in which Cheptarit bought 20MTs of mixed variety beans worth USD 13,600 from Kaderes[15].
    - **Raphael** report linking SHF to agro-dealers to access improved inputs. In Q1 2016, farmers were reporting that this access to improved inputs, in combination with GAP training, was leading to

[11] DAI (2017) FoodTrade East and Southern Africa Annual Report: Year 4 2016-2017
[12] More details of Kaderes' implementation status will follow in Itad's upcoming Kaderes quantitative survey report.
[13] DAI (2017)
[14] Kaderes (June 2017) Q2 Quarterly Report
[15] Kilimo (June 2017) Q2 Quarterly Report

increases in their yields. In Q2 2017 Raphael reported they have bought 4,550 MT of staple food from beneficiaries.[16] As an example of one sale, **Kilimo** arranged for the Upendo Senjele farmers' group to sell 31.341 MT of beans to Raphael at a price of TSh 1,180 per kg.[17] FTESA's 2017 Annual Report stated Raphael was offering farmers **prices above the prevailing market rates**.

- **Shalem:** Shalem farmers have increased the quality of their produce to meet buyer demands. So far, 8,050 kilograms of green grams and 29,970 kilograms of maize have been traded on the Gsoko platform.[18] All of these Gsoko sales are at prices above the market price.
- **Kilimo: contracts** formed through Kilimo's consortia led to farmers reporting a 23% **increase in farm gate prices.**[19] For example, in **Uganda** four female farmers from a cooperative sold 0.28 MT of beans to a local trader at 3000UGX per kg, 500 UGX **above the prevailing market price**. Kilimo also **brokered trades** between farmer groups or buyers and other FTESA grantees, including **Kaderes** and **Raphael**, as noted above.
- **Farm Africa:** farmers reported an **increase of 16.5% in farm gate prices**[20]; sales included 2,148 farmers using **VACs** in northern Tanzania who aggregated and sold rice valued at GBP £740,000[21]. Farm Africa reports that the **market information** farmers are receiving by mobile phone from Farm Africa's partner is helping them to secure higher prices.[22] Farm Africa consortium member RUDI collaborated with **EAGC** to upgrade the **Gsoko system** installed in several VACs in southern Tanzania, addressing some of the problems farmers had registering on the system and uploading data, however it is unclear if the Gsoko system enabled the sales Farm Africa reported.
- **WFP:** the programme **contracted aggregators** directly who then contracted farmer groups to produce maize for WFP in Tanzania and Rwanda. The Rwanda Alliance **facilitated 83 Forward Delivery Contracts** with three buyers for a **total volume 5,287 MT**, with **81 cooperative groups** made up of **22,119 farmers**[23].
- **Joseph Initiative** reported paying farmers **prices** higher than market rates, and to date it has **bought 1,452 MT** from its farmers, enabled by Joseph's sales of maize to WFP and to traders, including cross-border sales; Joseph also reports 8643 farmers with improved access to storage[24].

- **WAFM:** most WAFM grantees are not yet reporting outcomes for SHFs, but below we outline some early results including intermediate outcomes:
  - **AFEX**: reported 16,262 farmers benefiting from its storage services, an increase in sales on its platform, and an increase in prices paid to farmers; and 7,500 farmers benefiting from loans.
  - **Kedan**: Kedan has organised farmers into groups, and there is anecdotal evidence that Kedan's outgrower farmers' yields have increased, and that farmers are happy to sell to Kedan because of the prices they offer over the market price[25].
  - **Psaltry**: MTE interviews indicated farmers over time adopted the new GAP Psaltry introduced, and do apply the fertiliser Psaltry provides, although they lack the full amount required. Some interviewees thought this behaviour change has resulted in farmers producing larger volumes of

[16] Raphael (June 2017) Q2 Quarterly Report
[17] Kilimo (June 2017)
[18] DAI (2017)
[19] DAI (2017)
[20] DAI (2017)
[21] Farm Africa (June 2017) Q2 Quarterly Report
[22] Farm Africa (June 2017)
[23] DAI (2017)
[24] Joseph (June 2017) Q2 Quarterly Report
[25] WAFM MTE Focus Group Discussions / Interviews

cassava. Although Psaltry's garri factory has not yet been built, the establishment of Psaltry's starch factory has enabled SHF sales, sometimes "by the truckload" to the company.

- **Ghana MADE**: there is evidence that farmers are adopting the new varieties of improved seeds, and 66% of farmers experienced an **increase in yields**[26]; input dealers are adapting their terms of trade with farmers through newly developed credit terms; they also reported that 54.5% of rice farmers experienced an increase in sales. MADE is not yet reporting on any changes in SHF incomes.
- **Propcom Mai-karfi**: an impact study showed farmers experiencing an increase in yields and income as a result improved access to fertiliser.[27] A qualitative evaluation found that the **AFEX eWRS** had increased farmers' access to credit – allowing them to buy more fertiliser on credit, and to lease more land – thereby leading to an increase in yields. Although the **AFEX eWRS** is demonstrating benefits to farmers, it is not working as intended. The **regulatory environment** in Nigeria is not conducive to the operation of a WRS — banks and other service providers are not willing or able to accept the receipts in exchange for services. Instead, AFEX has had to develop contracts on a business-to-business basis in order for the receipts to be accepted.
- **AgDevCo** reported an increase in SHF yields, leading to improved incomes of nearly **6 million outgrowers** and nearly **7 million employees**[28]. For example, one AgDevCo-funded outgrower scheme (ECA) reported a 78% increase in farmers' annual incomes and 80% increase in yield[29] – there are **6,000 farmers** in the ECA scheme and 50% of them are contracted. In a review of six successful AgDevCo-funded outgrower schemes, enabling factors for success included **careful farmer selection** (avoiding the influence of nepotism); and the importance of **local government leadership buy-in**.
- **East Africa Trade and Investment Hub (EATIH):** the EATIH WRS made limited progress, as reported in the 2015 EATH Final Evaluation. This was attributed to uncertainties related to the **legal status of warehouse receipts as collateral.**
- **Southern Africa Trade and Investment Hub (SATIH):** The WRS **in Mozambique** resulted in **seven receipts** being issues in 2015.[30] Farmers and traders using the WRS reported resulting **increases in income—some reporting a net gain of up to 80%**.[31] In **Zambia**, the **volume of receipts was low** – something implementers partially attributed to a **lack of awareness** of the service.

3.1.3 Secondary literature

- A 2009 review of warehouse receipt systems in East and Southern Africa highlighted a successful example of targeting the rural poor in Madagascar, where rural storage facilities were financed by a local microfinance institution (Coulter, 2009). The Coulter report does, however, concede that this approach has predominantly worked with rice—with 55,000MT of rice paddy stored annually in Madagascar, and 10,000 MT of paddy stored annually in Tanzania; whilst being **less successful when attempted with more price volatile crops (e.g. maize)** due to the **unpredictability of government intervention**.
- An evaluation of grain **storage collateral systems** in Kenya found that 90% of beneficiaries were **commercial farmers or traders**, whilst **just 10% were smallholders** (KENFAP, 2011). The study also found that 85% of farmers attempting to deposit in the storage systems were rejected on the grounds of not meeting quality requirements.

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[26] Nathan Associates (July 2017) Market Development (MADE) for Northern Ghana Programme: Annual Report Year 3
[27] Upper Quartile (October 2017) Propcom Mai-karfi: Interim Evaluation Report-Electronic Warehousing Receipt Intervention
[28] DFID (May 2017) AgDevCo Annual Review
[29] AgDevCo (April 2017) Smallholder Outgrower Schemes: Principles of Success: Case Study No. 1
[30] SATH (2015) Annual Report
[31] Management Systems International (2016) SATH Final Performance Evaluation

3.1.4 Summary

- **WRS** can improve farmer **access to credit (AFEX)** and even **profit (SATIH)**, but they are slow to set up, and require careful sequencing of events, including preparing the appropriate infrastructure (e.g. warehouses), preparing the producers (so that they can supply produced to appropriate quality and quantity for warehouse storage), and most importantly ensuring the regulatory environment will enable their use (such that service providers will recognise and accept warehouse receipts from farmers) (**Gsoko, EATIH**).
- The private sector is capable of providing SHF with **access to inputs and GAP training** – and in combination this has been shown to lead to increased SHF yields (**Kaderes, Raphael, MADE, Propcom, AgDevCo**).
- There is some indication that a **virtual marketplace** (e.g. **Gsoko**) can lead to **higher prices** for farmers than more conventionally brokered exchanges; however, the **volumes** being traded on these virtual platforms seem **smaller** than **volumes traded** when enabled by the likes of **WFP, Kilimo** and **Farm Africa**, which are facilitating **contracts between large off-takers** and farmer cooperatives.

3.2. Focus area 2: Benefits to local businesses

Emerging evidence of the benefits to local businesses (aggregation and primary processing) of trading regionally

Interpretation of the focus area statement: We interpret this as how actors (traders, aggregators, processors) who buy from farmers benefit from participating in cross-border supply chains — even if they are not selling across the border directly.

Key finding: Local firms can benefit from engaging in cross-border trade, but benefits can be more assured: if financial and technical support is provided; if they have a large buyer committed to purchasing from them; and if there are complementary measures to target policy constraints.

3.2.1 Activities and outputs

The programmes reviewed in this focus area employ various intervention approaches:

- **FTESA**:
    - **EAGC,** who also implement Gsoko – with the main aim to increase trade across borders, regularly convenes **business-to-business (B2B)** meetings to recruit farmers, processors and other partners from across the region. Some of these B2B meeting have been supported by the **East Africa Trade and Investment Hub**. It also works on promoting the adoption of **EAC standards** for staple foods. Complementary to these efforts, the EAGC is also an **advocate** for the **private sector**, and is able to lobby governments across the region.
    - **Kilimo**: As noted above, Kilimo facilitates the formation of contracts between farmer groups and off-takers using clusters of market actors with a lead firm. One of its explicit activities is to link lead firms to end markets '**especially for cross border trade**.'[32]
    - **Farm Africa** brokers sales between producers and off-takers – sometimes in the domestic market and sometimes across borders. Activities include supporting VACs to develop business plans for aggregation and marketing; holding **B2B meetings** between VACs and local, inter-regional and national traders; and supporting farmer group to prepare them for **collective marketing**.
    - **Raphael, a bean trader** and the **lead firm** of the **Southern Highlands Beans Consortium (SHIBECO),** buys from producers both within Tanzania and regionally, for onward sale, again in both the domestic and regional markets.
    - **Policy Influencing**: FTESA's Policy Influencing works is an important complement to grantees trading regionally. This work consists of commissioning **trade studies** and **PEA**, **stakeholder engagement**, and convening **Public-Private Dialogues** (PPDs).
- **WAFM**: When applying for a **WAFM** grant, all companies have to demonstrate how their project will involve **'cross border working and regional integration'**. **Burkina Faso** and **Niger**, the two land-locked WAFM countries, are the target of trade flows from five projects; Ghana is the target of three projects and Nigeria four[33]. The following are examples of WAFM-funded local firms with cross-border trade objectives:
    - **AFEX**, while based in Nigeria, has a stated aim under its WAFM project to build a **pan–African exchange** by operating along the **Nigeria–Niger trade corridor** and later the **Nigeria –Ghana trade corridor.**
    - **Psaltry**, a **cassava-processor** based in Nigeria, has the stated aim of exporting Vitamin A-fortified garri (processed cassava) to Niger through its **outgrower scheme**.

[32] Kilimo (June 2017)
[33] Draft WAFM MTE Portfolio Review

   - **Kedan** is a maize processor based in **Ghana** and it intends to invest in warehouse facilities as well as processing of maize into a **fortified maize meal** for the local and **Burkina Faso** markets.

- **AgDevCo** provides **social venture capital to SMEs** to stimulate cross-border trade (e.g. horticultural agricultural exports). For example, AgDevCo-grantee Farways Flowers in Zimbabwe **aggregates** flower seed from SHF in its **outgrower scheme** for the purposes of exporting the seeds.
- **TMEA** provides support to reduce the time/cost of trading that in turn facilitates firms to trade regionally. Among its many activities, it **facilitates regional linkages** through **B2B meetings**; and provides **training on standards,** including for **warehousing staff,** through the **training of trainers.** TMEA also supports the Fresh Produce Exporters Association of Kenya **(FPEAK)** in facilitating horticultural farmers' adoption of GAP.
- The USAID/Zambia **Market Access, Trade and Enabling Policies (MATEP)** project provided a **'package' of support to SMEs, including agricultural processors,** with the objective of increasing the value of exports. This package included export credit, medium-term loans intended to enable access to commercial financial markets, and technical assistance in business plan preparation, market information and market development services.
- A USAID-funded Technoserve programme in Mozambique aimed to revive the cashew export sector by **partnering with a local entrepreneur and establishing small-scale plants in villages** (similar to the approach of some FTESA and WAFM grantees), **as well as providing business advisory services**.
- **Southern Africa Trade and Investment Hub (SATIH):** its Strategic Partnership Grant (SPG) programme facilitated **increased investments and technology transfer** between South Africa and the three **Feed the Future (FtF)** countries **Malawi, Mozambique**, and **Zambia**. Through one such grant, Capstone, a South African seed company, entered into a joint venture with Peacock Enterprises Ltd of Malawi to multiply and market **a drought-resistant** variety of **maize seed**. The SPG programme was complemented by SATIH work **influencing seed policy** in Southern Africa.

Of these programmes, FTESA, WAFM, EATIH and SATIH are the only ones focused on cross-border trade in ***staple* foods** exclusively, while TMEA, AgDevCo and MATEP work on a variety of agricultural products, including **cash crops** such as French beans (TMEA), macadamia nuts (AgDevCo), cashew nuts (Technoserve) and organic cotton (MATEP).

3.2.2 Outcomes and impact[34]

Here we focus on increases in value and volume of cross-border sales, and increase in business earnings. All five programmes reported cross border trade resulting from some of their interventions:

FTESA:[35]

EAGC: The maize export restriction enforced by the Tanzanian government limited **Gsoko** to domestic trade and not cross-border trade.[36] Export bans in Tanzania, Malawi, Kenya and Zambia are all affecting Gsoko's implementation. However, **EAGC's convening activities** bore fruit, as one such meeting, supported by **EATIH**, resulted in **58 contracts** signed to sell **279,000 MT** of Ethiopian **food grain surplus** to neighbouring East African countries.[37]

- **Kilimo Trust** brokered cross-border trade deals, for example, Simanjiro Beans Consortium (SBC) in Tanzania to supply 100MT to Betta Grains, Kenya; and in Kenya Tang ni Dhier Self Help Group sold 15MT of beans to Yash Commodity Ltd. More recently, Kilimo linked Cheptarit Star Ltd in Kenya to **Kaderes** in Tanzania – this led to

[34] It is worth noting that these programmes have different ways of classifying benefits to local businesses, some listing them as outputs (e.g. WAFM) others as outcomes (e.g. TMEA).
[35] FTESA MTE 2016
[36] EAGC Gsoko (June 2017) Q2 Quarterly Report
[37] DAI 'East Africa Trade and Investment Hub' https://www.dai.com/our-work/projects/east-africa-trade-and-investment-hub-tih

initial cross-border trade transaction in which Cheptarit bought 20MTs of mixed variety beans worth USD 13,600 from Kaderes; other trade during this period was between Farmers Centre Uganda and Green Systems Ltd in Kenya, where the latter imported 1,250MT mixed beans from the former[38].

- **Farm Africa** (a consortium of NGOs) secured a cross-border sale, resulting in a contract for beneficiary Katine Joint Farmers' Co-operative in Uganda to export up to 500 tonnes of grain to Smart Logistics, a firm based in Kenya. This success was enabled by FTESA-grantee **EAGC's** convening work, holding meetings bringing together different market actors. Farm Africa was able to broker the cross-border deal at one such meeting. **Farm Africa** notes the **Tanzanian export ban** is a cause of uncertainty among farmers and VACs, with a high risk that the traders will drive down local prices because of a glut in the domestic market. The FTESA Policy Influencing team turned their attention to this export ban, as described in 3.3. They also note that a major challenge with crop yields in Uganda has been a wide-scale infestation of fields by the **Fall Army Worm**.
- **Raphael:** with support from **EAGC** and **FTESA Policy Influencing efforts,** also supported by **EATIH**, Raphael influenced the **relaxation** of the **maize export ban in Tanzania**. The company was able to **export maize**, although new restrictions were introduced regarding the need for company registration, tax registration and evidence of value addition before a permit is issued.[39]
- In 2017[40], these **WAFM** grantees were reporting cross-border sales:
    - **AFEX** reported cross-border transactions of 3,300 MT, of which sorghum transactions with the **World Food Programme** formed 3,000 MT;
    - **Psaltry:** MTE interviews indicate that while Psaltry states it does not have the capacity to transport garri cross-border to Niger, it is transporting garri to Kano instead, where some Niger buyers operate. However, **Psaltry** is concerned it will be unable to meet the Niger bulk buyer's demand for volume and type of garri — the buyer prefers white garri to yellow.
- **AgDevCo** met its target for increased export value in 2017. Exports of AgDevCo-investees include macadamia nuts and seed flowers. AgDevCo reports that an **outgrower scheme,** such as Farways Flowers, has a greater chance of succeeding and scaling-up if it **pursues an export market** because the local market may not be able to absorb an increase in production resulting from the scheme. AgDevCo also reported an increase in business earnings for the SMEs it supports, though it was not possible to trace causality directly to an increase in SME-exports based on the evidence available.
- **TMEA** reported an increase in export value in 2017, from products such as **French beans** from **Kenyan farmers –** the average increase in export revenue for French bean farmers was **36%**[41] – due to access to new markets (through contracts with new companies) for 140 **FPEAK** farmer groups, representing 3,557 farmers.
- The **MATEP** programme's SME support resulted in leveraging an additional USD 5 million[42] in **resources from commercial financial institutions** to the benefit of SMEs in export areas of paprika processing, horticultural canning, and groundnuts grading and processing. These SMEs would have struggled to access commercial finance otherwise. Freshpikt, a canned fruit and vegetable manufacturer used its initial loan from MATEP to secure a larger loan from the Zambia State Insurance Corporation (ZSIC). Freshpikt continues to export a value of USD $1.2 million per year. **MATEP** reported the importance of providing their grantees with **technical assistance** in combination with **financial support**, which is similar to the Technoserve experience in Mozambique. Interestingly, as part of the WAFM Organisation Review, two different interviewees reported a desire that WAFM could also deliver more technical assistance to grant recipients. There was a concern expressed that WAFM's **due diligence** process focused too much on finances and too little on a grantee's technical capacity. For example, in Ghana **Kedan** wanted to buy a **maize processor,** with the intention of

[38] Kilimo (June 2017) Q2 Quarterly Report
[39] DAI (2017)
[40] DFID WAFM Annual Review 2017
[41] DFID (October 2016) Trade Mark East Africa Annual Review
[42] Moïsé, E. et al. (2013)

exporting fortified maize meal to **Burkina Faso.** Kedan almost bought a maize processor that was too small—knowing capacity would be reached within six months; before the WAFM PMU intervened to persuade Kedan to raise the necessary funds to buy a larger one.

- The **Technoserve** programme in Mozambique, through its support to a local entrepreneur, resulted in an increase in the entrepreneur's cashew plant capacity; and 50,000 locals being employed at the small, local cashew processing plants (50% of whom were women); and an agreement with a Dutch company to purchase 100% of the factory's output. As a result of Technoserve support, revenues two years after the plant opened were USD 1 million[43].
- **AECF**, although not focused on cross-border trade, noted the importance of giving grantees enough **time** to figure out how to overcome **bureaucratic hurdles,** and they need **support (e.g. from partners and banks)** in the form of **access to networks** in the new country of operation, when establishing new business models and exporting to other countries.
- **Southern Africa Trade and Investment Hub (SATIH):** its Strategic Partnership Grant for **Capstone and Peacock** seed companies proved successful, with Capstone Seeds exporting an additional 0.5 metric ton of parent seed to Malawi for the 2014/15 growing season.[44] Peacock in Malawi then began selling seed back to Capstone Seeds, and **exporting to other countries in the region** such as Botswana, Lesotho, and Namibia.

3.2.3 Secondary literature

- Exporting SMEs tend to pay higher wages, are **more productive**, hire more new employees annually and **earn more revenues** than their non-exporting peers. USAID notes that this 'presents a challenge and an opportunity, especially for developing nations, to spur job creation and economic growth by **supporting and promoting export-oriented SMEs.**'[45]
- **Challenges** for these domestic SMEs include, for example, **small agro-processors** often lacking skills in equipment technology, business development, marketing and finance. They need **additional specific training** and **advisory services** in more **technical fields** such as **good manufacturing practices.** These knowledge gaps mean **domestic operators** are at a **disadvantage** compared to those **operating internationally.** At present these SMEs mainly serve **local markets** and the **low-income segments** of the **urban population.** [46]

3.2.4 Summary

- **Access to finance** is an essential service for local businesses in regional value chains, but should be accompanied by **business development services / technical assistance** to achieve maximum benefit to local firms (e.g. **Technoserve, MATEP**).
- There is an important role for a **brokering institute** to play – be it an implementer (e.g. **TMEA, EATIH**) or a grantee (e.g. **EAGC, Kilimo**)—in facilitating relationships between small firms — such as traders and farmers cooperatives – that can lead to cross-border trade deals.
- **Large buyers** (e.g. individual buyers with demand for a large volume of produce), such as WFP for **AFEX**, or the Dutch cashew-buyer in the case of **Technoserve**, can be a significant enabler to increases in exports. One buyer might be responsible for a large percentage of an SME's cross-border sales, provided these sales are not hampered by barriers to trade.

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43 Moïsé, E. et al. (2013)
44 SATH (2015) Annual Report
45 EATH (December 2015) Quarterly Progress Report, p. 32.
46 AFDB / FAO (2015) Agricultural Growth in West Africa: Market and policy drivers

- **Policy Influencing** can be a very useful mode of support to improve the business-enabling environment for local firms attempting to engage in cross-border trade, particularly when working alongside organisations representing private sector interests (e.g. EAGC), and local firms themselves (**FTESA, EATIH, SATIH**).

3.3. Focus area 3: Success of business-led advocacy

Emerging evidence of the success of business-led advocacy (supported by political economy analysis) on cross border trade barriers

Interpretation of the focus area statement: We interpret this as what interventions involving PPDs, or other form of private sector advocacy, supported by evidence, have led to the establishment of private sector-friendly reforms.

Key finding: In sub-Saharan Africa, good state-business relations and channels for the private sector to influence policy (for example, PPDs) are very closely correlated with influencing and achieving private sector friendly reforms.

3.3.1 Activities and outputs

We reviewed seven programmes employing a business advocacy approach to achieving trade reforms. Three of these explicitly reported that these interventions were in conjunction with some form of PEA.

- **FTESA** engages in 'intelligence gathering' on relevant policies, and prefers to work through established partners (e.g. EAGC) and coalitions (e.g. Soya Policy Action Group, SOPAG), as well as supporting the establishment of coalitions for policy influencing. The FTESA PMU initiates consultations with government actors, including informal meetings between 'influencers' and key government actors as well as meetings that aim to facilitate learning between private sector actors and government officials on important issues that affect the staples food market and trade (i.e. PPDs).
    - Zambia FTESA's policy influencing involved **lobbying government**, using **studies to inform decision makers**, working through **local stakeholders**, and **coalition building.** FTESA was instrumental in establishing SOPAG, a coalition for policy influencing in the soya sector. SOPAG identified five common policy issues of interest and held PPD meetings to discuss the impact of the export ban on the soy sector, which was leading to an over-supply of soy.
    - In **Tanzania**, FTESA's policy influencing targeted the export ban on maize due to the perception of food shortages. Policy influencing work involved meetings between **EAGC**, FTESA-partner africapractice, **grantees,** and **officials** where a **position paper** was presented.
- **WAFM Policy Facility**'s PEA of export restrictions between Nigeria and Burkina Faso[47] led to an intervention approach that involves **supporting grassroots associations** representing producers', processors' and traders' interests in northern Nigeria and in Burkina Faso. In July 2017, WAFM mapped out the key private sector actors in WAFM focus countries[48] and held **dissemination meetings** on relevant food trade policy interventions to solicit feedback from private sector actors. This was followed by **advocacy capacity training** for identified private sector partners in Nigeria and Burkina Faso. The next planned activity is regional **'Information Sessions'** between CEOs, grantees and the relevant Ministry of Agriculture to discuss food trade policy issues.
- **TMEA's** activities include support to private sector/civil society-led policy formulation to enhance business regulation for trade[49].
    - This includes TMEA support to the **East Africa Standards Platform (EASP)** which represents the private sector position on standards; this support is accompanied by **TMEA-funded reports** on issues relevant to regional trade.

[47] This report was from Q3 2016 according to the WAFM PMU's 'Policy Facility overview of activities'.
[48] Sahel Capital (July 2017) WAFM Food Mapping Study
[49] TMEA Theory of Change 'Improved Business Competitiveness' https://www.trademarkea.com/who-we-are/theory-of-change/improved-business-competitiveness/

- TMEA also supports **National Monitoring Committees (NMCs)**, with the responsibility of reporting and monitoring **non-tariff barriers to trade (NTBs)**. TMEA supports these NMCs so that they can be integrated into existing institutional structures. In **Rwanda**, the NTB project is complimented by TMEA programming on **private sector advocacy,** wherein the private sector puts forward **policy recommendations,** based on **empirical evidence.**

- The **World Bank (WBG) and IFC** also employ PPD partnerships in their trade reform programming in 30 different countries. These platforms involve Working Groups, a higher-level governance body which takes issues identified by the Working Groups to government for discussion, and an administrative 'Secretariat'. PPD activity is driven by a country's demand, and is integrated with WBG support to that country.
- **East Africa Trade and Investment Hub (EATIH):** its Trade Policy Team supported private sector capacity building to influence the implementation of the **East Africa Community (EAC) Common Market Protocol (CMP).** They supported several **PPDs** in EAC countries, bringing together industry and government ministry representatives. In addition, the Policy Team conducted **research on strategic constraints** on implementing the CMP to be used to help address these issues
- **Southern Africa Trade and Investment Hub (SATIH):** the hub established **working groups** on National Single Windows (a key element of trade facilitation) in Botswana, Malawi and Namibia. The working groups were comprised of members of **private and public sector** agencies. In Namibia, the working group generated recommendations incorporated into a **technical report** presented to the government of Namibia.

3.3.2 Outcomes and impact

The above approach has proven successful in achieving trade reforms.

- In the case of **FTESA:**
  - In **Zambia**, SOPAG's efforts were considered influential in **removing the maize export ban** negatively affecting soya. SOPAG, speaking as the **united voice** of the Zambian soy sector and using the channel of **PPDs**, pointed out to the government the detrimental impact of the maize ban on the soya sector.
  - In **Tanzania**, **EAGC** and **Raphael's** efforts to influence officials, also supported by **EATIH**, through PPDs and a presentation of a position paper, to remove the maize export ban were partially successful, and led to the relaxation of the ban.
- **WAFM**'s PPD strategy is relatively nascent, with most activities having started in the latter half of 2017. As such, while it can demonstrate some early outputs, such as 200 people trained in advocacy strategies in Nigeria[50], it cannot yet show results in terms of policy change. The **WAFM Policy Facility** activities started much later than initially intended, and so a constraint to it achieving results has been the timing; however, it is also possible, as suggested by the WAFM EMU in its initial MTE findings, that the Policy Facility might have been more effective were it commissioned as a separate programme from the Challenge Fund.
- **TMEA**'s approach has resulted in the adoption of numerous private sector trade policy recommendations: 145 recommendations were adopted as reported in 2015[51], including a number specific to women traders in Rwanda. This success is attributed to the **synergies** TMEA achieves between its NMC work on NTBs and its support to private sector advocacy. The Rwandan reporting system for NTBs proved to be working well, with over 130 NTBs reported in 2015[52].

[50] Palladium (September 2017) WAFM Policy Facility Activity Dashboard

[51] DFID (October 2016) Trade Mark East Africa Annual Review, http://iati.dfid.gov.uk/iati_documents/5703590.odt

[52] LDP (Feb 2016) Formative Evaluation of TMEA Projects on Non-Tariff Barriers to Trade

- PPDs have been used by the WBG to introduce trade reforms[53]:
    - In **Chad** the PPD programme introduced in 2008 did not prove successful at the time of reporting in 2009, since there were no reforms. The World Bank found, unsurprisingly, that **internal conflict** experienced in Chad was a major obstacle to the success of PPDs.
    - In **Liberia** PPDs proved hugely successful, resulting in 21 reforms passed, four of which were related to trade reform. Two reforms **eliminated Ministry of Finance requirements** affecting cross-border trade. This success was attributed to an efficient and effective Secretariat; and ensuring the right people – those genuinely committed to reform – populate the PPD Working Groups. Enablers to PPD success, like in Liberia, included the **political will of government** to make reform happen.
    - The Public-Private Dialogue ***process*** has been identified as an achievement in and of itself – because it has created **communication channels** between private and public sector actors that did not exist previously.
    - Several countries also acknowledged that PPDs were valuable for **supporting the donor's (IFC's) broader programmes** such as its Better Business Environment (BEE) 'products'—the PPDs provided an **'entry point'** to promote these investment climate reform products.
- PPDs were used by the **IFC** to **abolish certain trade barriers** (such as fees and the removal of the need for Ministry approvals) in South East Asia. The success of the PPDs were attributed to the **private sector's willingness to participate** (without fear of government retribution), the PPDs filling a role building a common agenda between different Business Membership Organisations, and giving an avenue for **reformist members of government** to push for change. The impact assessment of this programme also found, as was the case for the WBG, that PPDs were valued **as an end in and of themselves** because they enable **better communication**. There was clear evidence of the economic impact of these PPD-led reforms, resulting in at least US$238M in Vietnam, US$69M in Cambodia and US$2.7M in Laos[54]–these impacts were calculated based on economic benefits of reforms resulting in reductions in fees, taxes and other barriers to trade. Although ultimately successful, the **IFC PPDs** were hindered in cases where the **private sector was not yet well organised or capable** to make most of PPDs (e.g. in Laos); the evaluation of this programme also found that the private sector in general in Cambodia, Laos and Vietnam **lacked the capacity to analyse and articulate policy issues** and present them to government and could benefit from Technical Assistance.
- **East Africa Trade and Investment Hub (EATIH):** the hub's Trade Policy Team's support to a **PPD** in **Tanzania** on the EAC **Common Market Protocol (CMP)** implementation resulted in the drafting of four key **reform recommendations**.[55] These included a recommendation from the private sector that **evidence collection** come before any **CMP policy decisions**. The PPD also resulted in the Tanzania Private Sector Foundation agreeing to integrate PPDs into their CMP support.
- **Southern Africa Trade and Investment Hub (SATIH):** the hub's work on **National Single Windows**, including the use of **working groups** of **private sector** and **ministerial agency representatives**, progressed in generating **country awareness** and **buy-in** to these trade facilitation tools. Credited with these achievements were the Trade Hub's **targeted training** to **counterpart agencies** and use of **embedded advisors**.

[53] World Bank (2009) Review of World Bank Group Support to Structured Public-Private Dialogue for Private and Financial Sector Development
[54] HR Inc. and MCG Management Consulting (2008) Impact Assessment of the Public-Private Dialogue Initiatives in Cambodia, Lao PDR, Vietnam
[55] EATH (December 2015) Quarterly Progress Report

3.3.3 Secondary literature

The success of the PPD approach to trade reform is supported by the literature, collated by the DFID-funded BERF programme. For instance, te Velde finds a **correlation between better state-business relations in a country and fewer barriers to trade** in the 20 sub-Saharan African countries studied (te Velde 2006). The author theorises that this is because of **better information flows** between the public and private sector, and there is trust and reciprocity between the two; and, that government collaboration with private enterprise leads to successful export policy results, specifically in areas where that country has a competitive advantage (te Velde 2010). This paper stresses the important of government closely coordinating with the private sector so that there can be 'short feedback loops' so that market strategies can be fined tuned.

3.3.4 Summary

- PPDs can achieve trade **reforms worth millions** ($), and are most successful when the **government is willing** to cooperate (**WBG**), and **members of public-private working groups** are committed to seeing reform (**WBG, SATIH**), and these reforms are **supported by evidence** (**FTESA**).
- PPDs can achieve reforms by **leveraging efforts from other donor programmes** (e.g. **TMEA**; **FTESA *and* EATIH** collaboration resulting in export ban reform); and PPDs can be used to **strengthen other donor programmes** in that country (e.g. **IFC**).
- A successful **PPD is both a process and an achievement**, valued by the private sector for its ability to establish communication channels with government (**WBG, IFC**).
- A country's **private sector actors may need technical assistance** to be able to effectively communicate their concerns to government (**IFC**).

3.4. Focus area 4: Availability of quality seeds

Any emerging evidence from increased availability of quality seeds due to regional variety catalogue.

Interpretation of the focus area statement: We answer this question primarily on FTESA's support to ACTESA and Common Market for Eastern and Southern Africa (COMESA), as the only other regional catalogue we found reference to was the Southern African Development Community (SADC) seed catalogue, with limited information available. We looked for evidence of regional variety catalogues leading to an increase in cross-border trade in seeds (as they are designed to catalyse this), in turn leading to an increase in the availability of quality seed.

Key finding: regional seed variety catalogues have not yet evidenced their ability to increase the supply of quality seeds.

3.4.1 Activities and outputs

ACTESA is aiming to align national seed laws and regulations with the **COMESA Seed Trade Harmonisation Regulations** (CSTHR) using the framework of the COMESA Seed Harmonisation Implementation Plan (COMSHIP), and launching the COMESA Variety Catalogue. COMESA expects that these new measures (CSTHR and the catalogue) will lead to **growth in regional trade volumes** of **improved seed varieties**. It should be noted that the COMESA seed catalogue will only affect **the formal seed trade** for registered seed companies, while the **informal seed trade** will continue to be an important source of seed for SHFs.

- ACTESA facilitated **harmonisation of seed trade policies and regulations** in **Kenya, Zimbabwe, Burundi, Rwanda and Uganda** with the gazetting and passage of bills by the respective parliaments. To achieve this, ACTESA worked very closely with government ministries and National Seed Trade Associations at the national level and COMESA at the regional level.
- The **ACTESA seed catalogue** is being implemented in a context where the same grantee is also pivotal in influencing five COMESA countries (Burundi, Kenya, Rwanda, Uganda and Zimbabwe) to **align their national seed laws** with the **COMESA seed system**. This alignment must happen in tandem with registration on the COMESA seed catalogue. FTESA's objective is for the **COMESA seed catalogue** to lead to **improved access to better seeds for farmers**. **ACTESA** intends that this will be a gateway 'for the quality seed that is to be utilized by the 80 million small-holders farmers in the region'[56].
- ACTESA created and launched the **online COMESA seed variety catalogue** in 2017. For a seed variety to be registered on the catalogue, a seed company must make a formal application. The intention is that when this **seed variety** is then **registered** on the catalogue, the company will be allowed to freely trade this seed across COMESA countries. ACTESA has also established governance structures and a **technical working group** to support the catalogue system.
- At the time of writing, **41 seed varieties had been registered** by seven different companies (including **Monsanto** and **Syngenta**). In June 2017, COMESA announced it will **issue certificates and labels** to seeds registered on the catalogue, in order to identify these seeds as meeting the **COMESA Seed Trade Harmonisation Regulations**.

Southern Africa Trade and Investment Hub (SATIH): similar to ACTESA in COMESA, SATIH worked with **SADC** to advance the **SADC Harmonized Seed Regulations —** intended to increase the **variety** and **quality** of seed available across the **SADC.** Under this system, once a seed variety is **approved in two SADC countries**, it can be released in **all SADC countries.**

- SATIH supported **consultations between regional stakeholders** to raise **awareness** of the HSR.

[56] ACTESA (2016) Q1 Quarterly Report

- SATIH worked with the **South African National Seed Organization** to develop an online **Seed Market Intelligence Platform** — intended to help seed companies plan for seed market demand.
- SATIH provided technical assistance to the **SADC Seed Centre** to establish the **online SADC Seed Variety Catalogue.**[57] At the time of writing, **two companies** (Monsanto and Syngenta) had **25 seed varieties** registered on the website, all maize.

3.4.2 Outcome and impact

ACTESA:

- **ACTESA** has been successful in influencing **five countries** (Burundi, Kenya, Rwanda, Uganda and Zimbabwe) to **align their national seed laws** with the COMESA seed system, but is not yet complete in Malawi or Zambia. Hence, seed trading of the registered varieties may happen freely between these five countries next year, but not in other ESA countries not yet aligned. ACTESA reports a number of enabling factors in achieving its objectives for **COMESA Seed Trade Harmonisation Regulations** (CSTHR):
    - **Endorsement** of CSTHR at the **executive level:** 'the recent commitment by the Heads of State in each target country to implement harmonised seed regulations at the COMSHIP Summit held in February 2014'.[58]
    - Endorsement at the **Ministerial level** at the COMESA Council of Ministers in March, 2015.
    - An **expedited approval process** where 'most of the COMESA targeted countries have indicated that the process would not need parliament to approve the aligned national seed regulations'.[59]
    - There is an important role for **National Seed Trade Associations** to play in enabling the establishment of a regional seed system. Their buy-in was essential to countries adopting seed harmonisation measures, and thereby enabling the establishment of the system across the COMESA region. Their buy-in will be essential in any other region where a seed system might be established (such as West Africa)
- However, ACTESA's Q3 report for 2017 noted that the seven companies with 41 registered varieties are **not currently trading across borders**. These seven seed companies have all indicated to the PMU that they are in the middle of production of the seeds this season which should be on the market next year (2018). For example, the PMU reports that the East Africa Seed Company is *planning* to **trade 250 MT of seed next season** under the COMESA system.
    - **Awareness of the seed catalogue**: In ACTESA's quarterly report for Q2 2017 they did note they face a challenge of a **lack of awareness of COMESA seed catalogue** – essential if more companies are to apply to register more varieties of seed.
- Up to this point, FTESA has **not been reporting a subsequent increase in seed trade** as a result of the catalogue, nor is ACTESA responsible for tracking this result, based on a review of their quarterly reports. In addition, it is difficult to trace direct causality between the catalogue's use and increased farmer access to seeds.

Southern Africa Trade and Investment Hub (SATIH): Available documentation showed one result of the SATIH's support to the SADC **harmonized seed system**:

- In 2015 a seed company from **Swaziland** launched a **hybrid maize seed** from Syngenta **in Zambia**, making Swaziland the first country to demonstrate practical implementation of the **SADC harmonized seed system**.[60]

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[57] http://sadcseedcentre.org
[58] ACTESA (Nov 2014) Grant application
[59] ACTESA (2015) Q3 Quarterly Report
[60] SATH (October 2015) Annual Report

- While there were 25 registered varieties of maize seed on the SADC **Seed Variety Catalogue,** there was no evidence found that this led to increased trade and availability.

3.4.3 Secondary literature

- The logic to implementing a regional seed catalogue is sound, as the high cost and delays in approving new seeds – along with the different regulatory requirements between countries – are a disincentive to innovation in regional seed markets (Poulton et al., 2006).
- There is indication that **domestic catalogues** (and accompanying domestic regulatory systems) can improve the supply of seeds: a brief about Kenya's seed system finds that this country's **seed variety registration process** is **affordable** and **efficient**. Kenya also has an **up-to-date online variety catalogue**.[61]
- Kenya seems the most productive (with respect to seeds) of COMESA countries reviewed in a recent ACTESA report. ACTESA partners are currently drafting a **seed baseline report** which includes some initial findings on access to seed in COMESA countries (Burundi, Kenya, Malawi, Rwanda, Uganda, Zambia and Zimbabwe). These findings include[62]:
    - The biggest growth in number of **registered private seed companies** was in **Kenya**, which had 10 registered companies in 2000, increasing to 129 in 2016;
    - **Kenya** has the **most agro-dealers** operating in its borders – 5,240;
- **Smaller seed companies** have shown a greater willingness to partner with NGOs and research centres to produce and market a wider range of varieties of the target crops. Thanks to their smaller overheads, these companies are able to pursue smaller market niches that are of limited interest to large multinational corporations.[63] This suggests that donor programmes may want to consider how smaller seed companies could benefit from a regional, given existing seed catalogues seen to be dominated by larger companies (e.g. Syngenta and Monsanto) at present.

3.4.4 Summary

- There is limited/no evidence on the ability of a ***regional*** seed catalogue to increase access to seed for SHFs (**FTESA and SATIH**), or increase cross-border trade in seed, although firms have indicated their ***intention*** to engage in cross-border trade.
- Close monitoring will be required to track early indications of cross-border trade in the 41 seed varieties registered on the COMESA catalogue, though tracing causality from an increase in cross-border sales to improved SHF access will require additional investigation.

[61] Feed the Future (2017) Enabling Environment for Food Security Project Enabling the Business of Agriculture Data Snapshot: Kenya
[62] ACTESA (September 2017) Q3 Quarterly Report
[63] Vuna INFORMATION BRIEF: Smallholder access to drought-tolerant seed

3.5. Focus area 5: Evidence of Value for Money (VfM)

Emerging evidence of VfM of different project components and approaches/ interventions.

Interpretation of the focus area statement: We interpret this as what type of project components, approaches and interventions are most economical, efficient, effective and equitable (the 4E's). We use data from our VfM Assessment conducted alongside this paper, as well as supplementary information from other programmes found during our document review for the other focus areas. Some of the programmes cited are using M4P approaches (FTESA, Propcom Mai-karfi, MADE), others Challenge Funds (WAFM, AECF and FTESA — using both M4P and a Challenge Fund), or re-deployable capital (AgDevCo). For this reason, we assess the 4E's according to different programme delivery mechanisms. Data on FTESA draws from, and summarises, the key findings from the December 2017 VfM Assessment, and includes analysis of grantees by the areas of focus: inputs; post-harvest and aggregation; or the 'entire value chain'.

Key finding: Within FTESA, grants targeting post-harvest are among the most *efficient*, whereas grants targeting the entire value chain are the most *effective*.

3.5.1 Economy

- **Challenge Funds:**
    - FTESA's ratio of **fund management costs to total costs** is 31%.[64] FTESA has employed economy saving measures including **reducing per diems, travel and communication costs;** however, FTESA grantees EAGC, Kilimo Trust, Afritec and Kaderes all reported **overspending on staff and labour.**[65]
    - The **AECF's** fund management to cost ratio is 23.52%[66] — lower than FTESA's. AECF reported **reduced spending on transport and equipment**. However, AECF's fund management costs were expected to go up after the Annual Review (2016) due to **more spending on monitoring** to better understand its programmes' impacts.
    - **WAFM** reported a **fund management cost ratio** of only 14%[67] in its Annual Review in 2017 – a very low percentage when compared to FTESA.
- **Re-deployable investment**: AgDevCo had a **lower fund management cost ratio** (2%) when compared to FTESA; and a **lower administrative cost ratio** (4.4%)[68] when compared to FTESAs administrative cost ratio of 34%.[69] AgDevCo reported saving on **operational costs** by **centralising their team** and its functions into one office. But when compared to other private equity funds, AgDevCo's 2017 Annual Review found it has higher management costs, attributed to it incurring extra **due diligence** and **monitoring costs** because it invests in more labour-intensive, early stage businesses compared to other investors.
- **M4P: Propcom Mai-karfi (PMk)'s** Annual Review from March 2016 identified its key cost drivers as **personnel and grants**, and its operational costs as a % of total costs is 36%. This ratio is only slightly higher than FTESA's administrative cost ratio of 34%. A higher operational cost ratio is to be expected because PMk (and FTESA) are **M4P programmes** — which tend to incur **higher staff costs** because of their emphasis on facilitation.

[64] Itad (December 2017) FTESA VfM Assessment
[65] Itad (2017) FTESA Mid-term Evaluation
[66] DFID (September 2016) AECF Annual Review
[67] DFID (March 2017) West Africa Food Markets Annual Review
[68] DFID (May 2017) AgDevCo Annual Review
[69] Itad (December 2017) FTESA VfM Assessment

3.5.2 Efficiency

Smallholder engagement:

- **Challenge Funds**:
  - **FTESA**'s PMU defines this indicator as 'the required grant for every farmer trained with knowledge about how to access and use improved inputs'. At the time of the December 2017 assessment, this was £50.67.
  - On a **grant-by-grant** analysis, **Shalem** had one of the lowest rates at £12 — its outreach involves mobilising farmers into groups, and serving farmers with its local grain collection centres; **Gsoko** was at the higher end with a rate of £208.
  - When comparing the smallholder engagement rate for FTESA grantees by **sub-sector**: grantees in **post-harvest and aggregation** (like **Shalem**) were **most-efficient,** with a rate of £20; and grantees in the **inputs** subsector (e.g. **ENAS** – a fertiliser supplier) were the **least efficient** with an average rate of £169.
  - **WAFM** reported a smallholder engagement rate **higher than FTESA's** at £91.11.[70]
- **Re-deployable investment**: AgDevCo reported a smallholder engagement rate significantly **higher than all programmes** at approximately £460.[71] AgDevCo's smallholder outreach mode includes **outgrower schemes**.
- **M4P Programmes:**
  - **Propcom Mai-karfi**'s 2016 Annual Review reported that the cost per beneficiary reached (£9) had decreased by 3% that year. PMk's **overall success in outreach** was enabled by mechanisms such as the **village-agent model** which they promote to private sector actors to increase the reach of their services. However, the cost per *female* beneficiary reached (£125) has increased by 12% (also included under 'Equity' by PMk).
  - **MADE's** overall costs per farmer reached was £78[72]. MADE acknowledges that it is **underachieving against outreach**, but notes that the positive results it is seeing **in market actor change** (e.g. 16 agro-dealers adopting new business models for sales outreach) will reap more benefits in the long-term.

Additional measures of Efficiency:

- **FTESA** has an additional Efficiency measure: **cost per metric tonne capacity of certified warehouses constructed or refurbished**. While this metric was only applied to three FTESA grantees,[73] **Raphael** was the **most efficient** with a rate of £34; **Kaderes** was the **least efficient** with a rate of £49 – this is unsurprising given delays in the Kaderes warehouse construction, as discussed in the FETSA MTE.
- **AECF** was assessed to be efficient in terms of outreach because of the **large numbers of households** reached e.g. a poultry business in Ethiopia that benefited 242,000 households.

3.5.3 Effectiveness

Leveraging additional funds: FTESA and AECF show higher ratios of private sector funds leveraged (i.e. the amount of private sector investment the programme was able to catalyse as a result of its intervention spending) when compared to other programmes.

[70] Calculated in FTESA VfM Assessment (Dec 2017) from data in DFID WAFM Annual Review (March 2017)
[71] DFID (May 2017) AgDevCo Annual Review
[72] Nathan Associates (July 2017) Market Development (MADE) for Northern Ghana Programme: Annual Report Year 3
[73] Itad (December 2017) FTESA VfM Assessment

- **Challenge Funds**: Both **FTESA** and **WAFM** were reported as achieving 'Efficiency' (based on DFID Annual Reviews) because of leveraging investments from grantees. In both cases this is because they are employing a match-grant Challenge Fund approach.
    - **FTESA**'s leverage ratio[74] was 1:2.73.
    - **WAFM**'s leverage ratio[75] was 1:1.3[76].
    - **AECF** achieved a leverage ratio of between 1:2.0 and 1:3.0 for its two funding windows—attributed to **company matched** funding far exceeding AECF's expectations.[77]
- **Re-deployable investment**: **AgDevCo's** leverage ratio was found to be 1:1.48.[78] AgDevCo's approach to focusing on smaller investees was found to successfully catalyse investment of a **short-term nature**, from more **local sources**.
- **M4P: Propcom Mai-karfi** was also assessed as exceeding its target for leveraging private sector investment, achieving a ratio of 1:1.34, attributed to the **partnerships** it has formed with twenty-seven private sector partners.

Additional measures of Effectiveness:

- **Challenge Funds:**
    - **FTESA** has developed an effectiveness measure of **'volume of staple food sales contributed to per farmer reached.'** For the programme as a whole this is 394kg of staple food per farmer reached.
        - Among the **most effective grantees** are **Farm Africa** (1,345 kg per farmer reached) and **Raphael** (815 kg per farmer)[79]. Among the least effective grantees was **Kaderes** (27 kg per farmer). **Gsoko** was below average (121 kg per farmer reached).
        - Comparing **sub-sectors**: Grants targeting the **'entire value chain'** (e.g. **Farm Afric**a) are the **most effective** (on average 439 kg/farmer); grants targeting the **inputs** sector (e.g. **ENAS**) are the **least effective** (average 30kg per farmer).
    - **WAFM** cannot yet report results for Effectiveness.
    - **AECF** reports its Africa Agribusiness Window (AAW) has a **development rate of return** several times that of the cost of implementing the windows, indicating that benefits outweigh costs.
- **Public Private Dialogues (PPDs):** The World Bank found PPDs offered very high VfM because 'for an investment of between $100,000 –200,000 annually per PPD, reforms within some PPDs have fundamentally transformed the investment climate [in programme countries]'[80].
- **Re-deployable investment**: **AgDevCo** reported its **first successful exit from an investment** resulting in a £0.8 million return.[81]
- **M4P**: **Propcom Mai-karfi's** effectiveness is reported as:

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74 FTESA defines this as: 'the ratio of total FTESA grants disbursed to challenge fund recipients and the additional private investment mobilised by these recipients.'
75 WAFM defines this as 'ratio of matched contributions mobilised by WAFM grantees to WAFM total grant amount committed'
76 DFID (March 2017) West Africa Food Markets Annual Review
77 DFID (September 2016) AECF Annual Review
78 DFID (May 2017) AgDevCo Annual Review
79 Itad (December 2017) VfM Assessment
80 World Bank (2009)
81 DFID (May 2017) AgDevCo Annual Review

- **Beneficiary income gain per £ spent**: in 2016 this was only £0.94. Reported income gain was attributed to Propcom's interventions enabling improved **access to fertiliser, crop protection products, and animal feed**.
- **Cost per farmer/small scale rural entrepreneur recording an increase in sales, productivity and/or quality:** £33. Reported increases in productivity were attributed to the same Propcom interventions described above.
- **Cost per *female* farmer/small scale rural entrepreneur** recorded an increase in sales, productivity and/or quality: £260.

3.5.4 Equity

- **FTESA**'s equity indicator is the '% of females among smallholders that have registered to use the Gsoko System'. At the time of the MTE, this was 31%. In December 2017, this definition was expanded to include % female SHF engaged by each programme—across this programme it is 43%:
  - **Shalem** has the highest percentage – 72% of its SHFs are women— Over 50% of Shalem's grain aggregation centres are owned and managed by women[82]. These results may be because Shalem has developed a **gender action plan** that ensures both men and women benefit from the project resources, and offers leadership training specifically targeted to women. Shalem worked with farmer organisations to address gender inequalities by enrolling **male gender champions**.
  - **Kaderes** had one of the lowest rates at 27%. Kaderes was not one of the grantees to whom a gender action plan was introduced in 2016-2017.
  - By subsector: grants targeting **post-harvest and aggregation** (e.g. **Shalem**) are most equitable (average female engagement of %52).
- **Propcom Mai-karfi's** equity measure is the cost of reaching a female beneficiary - £125. Propcom acknowledges it has had difficulties in reaching women, and translating this outreach into outcomes for women. One of the reasons given was that some partners are unwilling to **invest more in adapting their strategies** to include women.
- MADE, AECF and AgDevCo did not report on an Equity VfM indicators in their last Annual Reviews/Annual Reports.

3.5.5 Summary/comparison

- **Economy:**
  - **Re-deployable investment** (**AgDevCo**) is **most economical** of programmes reviewed above, and **M4P** (**Propcom**) the least.
  - There is a **trade-off** between investing in good **monitoring** and **due-diligence** and **facilitation**, and achieving better Economy metrics (**AECF, AgDevCo, Propcom Mai-karfi**).
- **Efficiency:**
  - **Smallholder engagement rates**:
    - Of programmes reviewed here, one type of programme is not better than any other with respect to smallholder engagement rates, as they fall in **a range** from £9 (**Propcom**, an M4P programme) to £91 (**WAFM**, a Challenge Fund).

[82] DAI (2017) FoodTrade East and Southern Africa Annual Report: Year 4 2016-2017

    - Smallholder engagement rates may **vary between male and female beneficiaries** providing one way of measuring Equity.
    - **FTESA** grantees: Grants targeting **post-harvest and aggregation** are the **most efficient** types of grantees; **Gsoko** is relatively in-efficient with respect to its smallholder engagement rate.

- **Effectiveness:**
  - Of programmes reviewed here, **Challenge Funds (FTESA and AECF)** seem **more effective at leveraging private sector investment** when compared to other programme mechanisms (**Re-deployable** investment or **M4P**).
  - **FTESA** grantees: **Farm Africa** is among the **most effective grantees** – which is borne out by earlier evidence in this report, of its ability to broker contracts between farmer groups and large off-takers. Grants targeting the '**entire value chain'** such as Farm Africa, are the **most effective type** of FTESA grantee.
- **Equity:**
  - **Data** on Equity is **generally very weak** across programmes, and so more should consider introducing more indicators to measure it.
  - The commitment to, and prioritisation of gender as an issue by the programme / grantee results in a better equity result (e.g. **Shalem** has shown commitment by adopting a **gender action plan**; whereas **Propcom** partners have shown unwillingness to prioritise gender).
  - In **FTESA**: grants targeting **post-harvest and aggregation** are the most equitable type.

4. Conclusions

1. Access to services such as a WRS and virtual market places can improve farmers access to credit and lead to increases in profit, but they are often slow to set up and beset by regulatory constraints, and require careful sequencing of events; more traditional buyer-seller relationships can be just as beneficial to smallholders, if not more so in some cases.

2. Local firms can benefit from engaging in cross-border trade, but benefits can be more assured: if financial and technical support is provided; if they have a large buyer committed to purchasing from them; and if there are complementary measures to target policy constraints.

3. In sub-Saharan Africa, good state-business relations and channels for the private sector to influence policy (for example, PPDs) are very closely correlated with influencing and achieving private sector friendly reforms. There is also evidence PPDs can represent good Value for Money.

4. Regional seed variety catalogues have not yet evidenced their ability to increase the supply of quality seeds.

5. Of programmes reviewed here, no one type of programme (e.g. Challenge Funds, Re-deployable investment, M4P programme) was more efficient than another; Challenge Funds (FTESA and AECF) seem to be *more effective* at leveraging private sector investment when compared to other programme mechanisms. Of FTESA grants, grants targeting post-harvest and aggregation are the most efficient, whereas grants targeting the entire value chain are the most effective.

The table below summarises the synthesis' findings and supporting evidence:

	Strength of evidence (1-5*)	Key finding	Programmes / literature that provide evidence
Focus Area 1	3	Access to services such as a WRS and virtual market places can improve farmers access to credit and lead to increases in profit, but they are often slow to set up and beset by regulatory constraints, and require careful sequencing of events; more traditional buyer-seller relationships can be just as beneficial to smallholders, if not more so in some cases.	**AFEX (WAFM), SATIH, Gsoko (FTESA), EATIH**
Focus Area 2	4	Local firms can benefit from engaging in cross-border trade, but benefits can be more assured: if financial and technical support is provided; if they have a large buyer committed to purchasing from them; and if there are complementary measures to target policy constraints.	**Technoserve, MATEP, FTESA, EATIH, SATIH**
Focus Area 3	5	In sub-Saharan Africa, good state-business relations and channels for the private sector to influence policy (for example, PPDs) are very closely correlated with influencing and achieving private sector friendly reforms. There is also evidence PPDs can represent good Value for Money.	**WBG, IFC, TMEA, te Velde, SATIH, FTESA**

Focus Area 4	1	Regional seed variety catalogues have not yet evidenced their ability to increase the supply of quality seeds.	**ACTESA (FTESA), SATIH**
Focus Area 5	3	Of programmes reviewed here, no one type of programme (e.g. Challenge Funds, Re-deployable investment, M4P programme) was more efficient than another; Challenge Funds (FTESA and AECF) seem to be *more effective* at leveraging private sector investment when compared to other programme mechanisms. Of FTESA grants, grants targeting post-harvest and aggregation are the most efficient, whereas grants targeting the entire value chain are the most effective.	**FTESA, AgDevCo, Propcom, AECF, WAFM, MADE**

*1 = weak, 5 = strong

5. Annexes

5.1. Sources

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